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NEWS SUMMARY

GENERAL

Davis case: new probe

Scotland Yard last night announced that a top officer had been appointed to investigate allegations that jailed mini-cab driver George Davis, on whose behalf the Headingley Test pitch was dug up and splattered with oil, had been framed.

He is Det. Supt. Jock Moulder of the Hertfordshire Police, who will take over the inquiry by A-10, the Yard's special complaints investigation branch, which has been going on for some months.

Main evidence against Davis, who is serving 20 years for armed robbery and wounding a policeman, was identification by five policemen. Thirty-seven other people failed to pick him out.

Campaign

Supporters led by his wife have carried on an active protest campaign ever since, including marches, slogans and driving vehicles into a newspaper office and Buckingham Palace gates. They have gained considerable support in London's East End.

An extra Test seems unlikely to be played but the Ashes thus stay with Australia.

Security at The Oval for the final Test and at other cricket grounds is being tightened.
Trevor Bailey, Page 18

Ulster talks optimism

A mood of cautious optimism prevailed, despite renewed violence in the Province, when senior negotiators for the Loyalist UUUC and the Catholic SDLP met at Stormont yesterday for a crucial round of constitutional talks. A car bomb explosion and a fresh shooting incident were added to the sectarian trouble that began 10 days ago. Ulster Secretary Mr. Merlyn Rees released eight more detainees from The Maze, leaving 222 still in the prison. Back Page

21 hurt in coach

Twenty-one people were injured, four seriously, including a baby, when a coach and car collided yesterday afternoon on the A66 over Stainmore Pass, near Brough, in Cumbria. A fleet of ambulances rushed them 35 miles to the Cumberland Infirmary in Carlisle for treatment. The baby later underwent emergency surgery. Two people were injured when another coach was in a collision in Buckinghamshire last night.

MPs worried

Ripples from the row between Mr. Reg Prentice and his local constituency party continue to spread. A pressure group called the Social Democratic Alliance, set up as a result of the dispute, now claims that some 20 moderate Labour MPs are threatened by Left-wing activists. It is, says the group, time for the party to take stock of what is happening to it. Page 7

Czech protest

Czechoslovakia yesterday protested over the helicopter snatch of three refugees on Sunday and revealed that four other people had similarly fled two days earlier.

People and places

Warning against swimming followed arrival on the tide of a three-mile oil slick on to Southend, Shoeburyness and Westcliff beaches.

Deadly arsenic acid poured yesterday from a chemical factory into a brook running into the rivers Calder and Ribble in Lancashire.

Calverton, Nottingham, Miners' Union branch has written apologising to the French town of Longue after a party of Longue teenagers on a goodwill visit were attacked by colliery workers.

BUSINESS

Equities mark time: Wall St drops 14

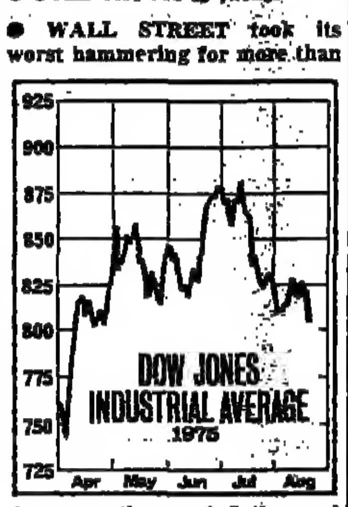
● EQUITIES' upward trend petered out, with the FT 30-share index closing 0.7 down at 303.0.

● GILTS trading was still depressed and prices held to overnight levels. The Government Securities index ended 0.12 up at 60.84.

● THE POUND gained 93 points against the dollar to close at $2.1178, its depreciation improving to 27.7 per cent. (27.8). The dollar's was 2.64 per cent. (2.41).

● GOLD lost 50c to $161¼.

● WALL STREET took its worst hammering for more than three months, on inflation and interest worries. The Dow Jones index lost 14.24 to 808.51.



● DINERS CLUB is raising its membership fees to new members in Britain to £7.50 a year. Back Page

● OFFICE building costs in the U.K. are the highest in the world, according to figures in Property Investment Review. Page 8

● SETTLEMENT is expected of the dispute between U.K. and cane sugar suppliers over this year's shipments. Page 23.

ICI export aid plan

● ICI is to launch a scheme to help U.K. medium-sized manufacturers of consumer goods to sell on the Continent. Back Page

● PUBLICANS are threatening to refuse to stock Babycham, because Showerings intend to show a recommended price for it on TV. Page 7

● NVT management and shop stewards hold talks to-day on the future of the Small Heath factory. Page 10

● SWAN HUNTER strike by 5,000 ancillary workers has been referred to the Department of Employment. Union leaders and management hope to meet the DoE to-day. Page 10.

● JAPANESE car manufacturers plan to export more vehicles to offset slump in home demand Page 4

● AVIS plans to make inroads into NCP's virtual monopoly of prime parking sites, with a planned 200 centres in five years. Page 7

COMPANIES

● SLATER WALKER SECURITIES half-time profits show a drop of £7.8m. to £2.22m. Page 17

● ROYAL INSURANCE shows pre-tax profits up 42.4 per cent. at £16.8m. and reduced underwriting losses for the half-year. Page 18 and Lex

● AKZO, the Dutch chemicals company, shows a net loss of Fls.48m. in the second quarter, on sales 18 per cent. down on last year.

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES		
Electric 4½% 1974-79 £81⅛	+	⅛
Avenue Close	41	+ 4
Bejam	91	+ 4
Chubb	78	+ 4
Dalgety	172	+ 7
Denbyware	92	+ 6
Dowty	105	+ 5
Felixstowe Dock	69	+ 5
Gillspur Invs.	27½	+ 3½
Green (R.) Prop.	19	+ 2½
Harrison & Sons	58	+ 4
Hawker Siddeley	360	+ 4
Hong Kong & Shanghai Bank	219	+ 6
Kinloch	118	+ 4
Laing (John) 'A'	96	+ 5
Marshall Morgan and Scott	67	+ 3
Meyer (Montague L.)	37	+ 4
Mills (A. J.)	51	+ 4
Raybeck	40	+ 4
Robb Caledon	19	+ 3
Royal Insurance	272	+ 4
Royal Worcester	96	+ 6
Siebe Gorman	128	+ 5
Sun Alliance	383	+ 6
Vibroplant	90	+ 5
Wolseley-Hughes	74	+ 3
Anglo-Indonesian Plants	40	+ 4
Weeks Nat. Resources	70	+ 5
Pot. Plat.	238	+ 3
FALLS		
Glaxo	343	− 7
Rank Org. 'A'	128	− 5
Thurgar Bardex	4½	− 2
Assoc.Aust. Resources	105	− 12
De Beers Defd.	298	− 4
Durban Deep	900	− 50
Oakbridge	56	− 6
Ocean Resources	27	− 3
Pancontinental	560	− 20
Thiess Hldgs.	230	− 15
Utah Mining Aust.	725	− 30

Accountants seek more information in company reports

BY MICHAEL BLANDEN

New information for employees, the Government and the public at large should be included in companies' annual reports, it is argued in a discussion paper produced by the accountancy profession.

The paper takes concepts of company reporting well beyond directors' legal responsibilities to shareholders. It recognises a far wider duty of directors to explain their activities to other interested parties and to adopt the idea of "social accounting."

Its proposals cover some areas in which the Government, through the Industry Bill, has sought greater disclosure of information. Some of its proposals are likely to be highly controversial both within the accountancy profession itself and in the company sector.

After examining current accounting practices, geared to the concept of reporting to shareholders and creditors, the paper concludes that these do not fully meet the needs of users.

Additional statements should be published to include:

A statement of value added; an employment report; a statement of money exchanges with Governments; a statement of *transactions in foreign currency*; a statement of future prospects; and a statement of corporate objectives.

The paper expresses the belief that "social accounting will be an area of growing concern to corporate report users" and recommends "further study into methods of social accounting."

Introducing the paper, Sir Ronald Leach, chairman of the joint Accounting Standards Steering Committee, pointed out that it should be read in conjunction with the Sandilands committee report on inflation accounting, expected to be published early next month.

The paper emphasises the need to adopt current value systems of accounting in addition to the "inadequate" historic cost methods, and recommends that

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Accountants step forth, Page 13

inflation adjusted statements should be given equal status with the normal accounts.

Sir Ronald pointed out that the ASSC, set up in 1970, had now completed the main part of its initial programme of setting up new accounting standards, and had felt the time was right to go on to a more fundamental examination of the purposes of company reports.

The working party which has *produced the paper began work* last October with the backing of all six of the leading U.K. and Irish accounting bodies, under the chairmanship of Mr. Derek Boothman. The results have been published as a discussion document, and Sir Ronald foresaw that a period of some six months or more would be given for debate on the subject before further action was considered.

This could include putting some of the proposals, if accepted by the accounting bodies, into the form of standards and encouraging Government action to extend the rules.

The paper recognises a number of major purposes in the reports produced by companies and other economic entities, including, for example, evaluation of the "economic function and performance of the entity in relation to society and the national interest and the social costs and benefits attributable to the entity."

In line with the answers given by a number of major companies to a survey on the subject, it also recognises the right to information of a number of groups apart from shareholders. These include employees, business contacts, the Government and the public.

The paper notes "the trend towards the acceptance by business enterprises of multiple responsibilities" and concludes that "*distributable profit is no* longer the sole or premier indicator of performance in the corporate reports of such entities."

It expresses the view that the "fundamental objective of corporate reports is to communicate economic measurements of and information about, the resources and performance of the reporting entity useful to those having reasonable rights to such information."

Mortgage 'lever' to restrain prices

BY ANTHONY HARRIS

THE GOVERNMENT intends to use its influence over building society lending to restrain the rise in house prices, even if this entails damping down the recovery which has now begun in private sector housebuilding.

The policy decision to give over-riding priority to the anti-inflation objective, and to ensuring that the housing market does not again attract speculative money, is a recent one, and follows a protracted inter-departmental discussion.

It is unlikely to have any practical effect in the near future: building society directors and officials of the Department of the Environment, who meet each month to monitor the demand for loans and price movements in the house market, are agreed at present that the recent monthly lending of about £450m., with a target of £5bn. for the year as a whole, can be absorbed without putting pressure on prices. The quarterly rise of 4.5 per cent. in new house prices reported earlier this week is regarded as satisfactory in the context of much steeper rises *in prices in general*.

It seems likely that by the end of the year the supply of houses offered for sale will be tighter, and it is at this stage that the effectiveness of Whitehall's control of building society lending may be tested.

So far, there has been no need to restrain lending and, though Whitehall officials point to the unusually high liquidity ratios of the societies at the moment as evidence of restraint, this restraint is purely self-imposed.

The movement does not expect the recent abnormally high inflow of funds to persist, and must provide for possibly unusually high withdrawals. The unfortunate experience of 1972-1973, when loans were made in some market sectors on the basis of values which have subsequently collapsed, has reinforced the self-discipline which would be expected in any case at this stage of the cycle.

As the market revives, most building society officials would regard some acceleration of prices as normal and healthy, and, possibly, necessary as an incentive to get the building industry moving. The present policy stance therefore is likely to result before long in official efforts to get the movement to hold back loans which it would *regard as sound and prudent*.

It is at this stage that the new system will come under test—especially if the recession and the slowing down of inflation leads to a fall in interest rates.

New setbacks for Portugal Communists

BY OUR FOREIGN STAFF

EFFORTS by General Vasco Goncalves, Portuguese Prime Minister, and the Communist Party to launch a political counter-offensive after recent setbacks met a series of defeats yesterday.

A Communist-inspired general *strike was violently opposed in* central Lisbon and was largely ignored in the rest of the country, while a mass meeting in the northern city of Oporto was cancelled. There was more anti-Communist violence in the Azores.

The half-hour token general strike was called by the Com-

Soviet call for solidarity
Page 6

munist-dominated trades union Intersindical to protest about the wave of anti-Communist violence in the north.

It was supported by General Goncalves who is seeking to shore up his waning position in the face of attacks by the non-Communist parties and factions in the Armed Forces Movement which have called for him to resign.

The Socialists described the strike as a desperate manoeuvre by Intersindical to control the workers and called on workers to ignore it.

In the event, pro-Communist building workers marched into Lisbon's main avenue, the Avenida da Liberdade, and vehicles were parked across the street.

But people protesting against the strike exchanged insults with the building workers and hurled stones. They also pounded and rocked the vehicles blocking the road.

In other parts of Lisbon and in the rest of the country, there was little sign that the strike call had been heeded at all. The Lisbon trams stopped but other forms of transport, as well as the docks, kept working. In the north many unions issued statements condemning the stoppage.

Later, the Communists abandoned *plans for a mass meeting* in Oporto in view of the "political situation." Anti-Communist attacks in the north have left six dead and hundreds injured in the past months. The meeting had been seen as a part of a Communist attempt to win back lost ground.

During the previous night, a man was killed and more than 100 wounded when troops fired on the Communist Party office at the northern town of Ponte De Lima. Military sources said the unit had gone on the alert without informing the northern regional command.

This was believed to be intended as a show of force against the region's pro-Communist commander, Brigadier Eurico Corvacho.

In Lisbon, a meeting of workers at the main daily newspaper, Diario de Noticias, voted to suspend 30 out of 54 journalists *who had attempted to pub*lish a protest against what they called the paper's pro-Communist bias.

Only two votes were cast against. The meeting was said to have been attended by "many hundreds" of the paper's staff of more than 1,000.

Last week, the newspaper's Communist-dominated printers refused to print the dissident journalists' protest and published a counter-statement of their own.

Meanwhile, in the Portuguese Atlantic possession of the Azores, the Communists suffered another

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FEATURES

ON OTHER PAGES

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Petrol price war 'will squeeze out small garages'

BY PETER FOSTER

THE PETROL-PRICE WAR is leading to an fundamental "readjustment" in the garage trade which will leave it with fewer but larger outlets. This is one of the main conclusions of the final report of the Price Commission on Motor Fuel Retailers' Margins, published yesterday.

Confirming the finding of an interim study published in March, that small garages were being driven out of business the report goes on to stress that increasing retail margins would not remedy the situation, since this would only lead to further price-cutting.

"Price competition in petrol retailing is now widespread and severe," it states. "What is now happening is almost a classic example of the adjustment of a distributive network to reflect rapid and possibly largely unfor*seen changes in demand* and in the level of costs."

Emphasing that a sharp rise in prices has been accompanied both by a reduction in demand and an escalation in costs—particularly labour costs—the report goes on to point out that a recovery in margins will occur only "when the process of readjustment is complete."

The Price Commission was instructed in July, 1974, by Mrs. Shirley Williams, the Prices Secretary, to examine and report on the levels of petrol retailers' margins, paying special attention to the maximum price controls then in force. The reference was made more general in December, when the controls were removed.

The final report says that average net margins of a "reasonable" level last summer—that is, between 2 per cent. and 2½ per cent.—had fallen to 1.5 per cent. by *February*, and that prospects of a further fall,

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although the extent would depend to a large degree on the volume of sales.

It suggests that if sales remained at the annual rate prevailing in February, net margins would have fallen to a level of 0.5 per cent. by now.

It would appear that there has been little change, on a seasonally-adjusted basis, in petrol consumption since February. However, the Commission may well have underestimated the current intensity of both price and non-price competition in the petrol market and their joint impact on margins.

The report indicates that larger garages have greater gross margins than their smaller counterparts, and that net margins are even higher because smaller garages have relatively higher costs.

It says that town-centre stations are the most expensive to run, while rural ones are cheapest. Net margins tend to be higher when petrol retailing is associated with repairs and maintenance and with new and used car sales.

The report finds that the average oil company-owned-and-*operated station tends to be* larger than independent retailers, but, size for size, less profitable.

Although the report does not touch on alleged subsidies of sales by oil companies, this theme was taken up by both the Motor Agents' Association and the Petrol Retailers' Association in their reactions to its findings.

Mr. H. H. Goldsmith, chairman of the MAA's petrol committee, agreeing with the report's overall *assessment*, said: "*In areas* where subsidised price-cutting is occurring, garages and petrol stations being forced to compete are losing money, as the Price Commission forecast." He added: "Petrol stations are probably closing at the rate of three a day, and will continue to do so until demand for petrol increases."

Motor Fuel Retailers' Margins Final Report. Price Commission, 65p from HMSO.

British Land shows £7.1m. loss

BY JOHN TRAFFORD, PROPERTY EDITOR

BRITISH LAND, the property development and investment group headed by Mr. John Ritblat, showed a loss of £7.1m. on the year to March 31 1975, compared with a loss of £1.1m. the previous year.

In addition the group's capital account shows exceptional losses of £8.5m., of which £3.2m. stemmed from Biba, the store in Kensington High Street. Shareholders, who received only an interim dividend in 1973-74, receive no dividend at all this time.

The main cause of the deterioration, as with virtually all property companies, was a sharp increase in interest charges, which rose by £5.6m. to £17.6m. Set against this, however, was a substantial improvement in revenue from rents. The ending of the freeze on business rents in March was added over £500,000 a year to revenue. Taking into account the higher rents obtained when existing leases come up for review, U.K. revenue has risen by £2m. a year.

During the year the company managed to sell only about £3m.-worth of properties, despite British Land's severe cash-flow problem and a portfolio worth over £200m.

Mr. Ritblat, in his chairman's statement, says there was virtually no normal market for property sales. This opinion would generally find an echo *among* others in the property world, who have seen a more active investment market in U.K. commercial property develop only in the past four or five months.

The company's accountants, Binder Hamlyn Singleton Fabian, have taken the unusual step of making two important qualifications to the annual report. They say that the accounts are based on the directors' assumption that further finance required by the group will be available. The other qualification concerns the directors' decision not to have a full revaluation in the group's properties. While retaining the April 1974 valuation of £288.4m. in the books, they did their own reassessment of values.

This valuation was carried after seeking professional advice and was based on the assumption of "a willing vendor and a willing purchaser." In a footnote in the accounts the directors put a value of £235m. on the group's property assets compared with the £288.4m. shown in the books. The accountants observe that they cannot comment on the directors' assessment, but that if it were incorporated in the accounts the group's share capital and reserves would be reduced from £110.2m. to £56.8m.

City reaction to the valuation was mixed. The problem of carrying out a revaluation, when the lettings market is thin and the investment market virtually *non-existent for properties over* £3m., is widely accepted. Indeed, Town and City Properties recently said that it could not carry out a meaningful revaluation under current market conditions. But the decline in the British Land portfolio by a modest 18.5 per cent. was thought by some to be unduly optimistic. Mr. Ritblat last night said that the group had taken a very stringent line in sharply reducing the value of the company's development portfolio.

In a move to strengthen itself for the time ahead, the company now has the well-known surveyor Mr. Norman Bowie, a former partner in Jones Lang Wootton, acting as a nearly full-time consultant.

News of the heavy losses caused scarcely a ripple on the Stock Exchange yesterday, when British Land shares closed ½p up on the day at 18½p.

Biba is to close its Kensington store this autumn to allow a start to be made to the necessary alterations for the takeover of part of the business by Marks and *Spencer*.

When it was announced last month that the Biba site was to be redeveloped the suggestion was that Biba would continue to trade in part of the site, but it now looks as if the Biba name may disappear from retailing altogether. The view at British Land appears to be that if other tenants can be found for the property Biba must either find less valuable premises, or stop *trading*.

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LOMBARD

Comparisons are odorous

BY ANTHONY HARRIS

THE GROWING literature on Who and What Went Wrong at British Leyland is revealing a rich seam of absurdity and malice for the student of human nature (business division). It was once my business to keep a close eye on that company, but it has not been for some years; so I will ration myself to one observation on the general argument. This is simply to say that Geoffrey Robinson's assertion that the management in practice treated budgeting as a purely abstract exercise, which bore not even a tenuous relationship to what actually got done, sounds very like the company I used to know and love. I remember years in which the Longbridge complex used to announce as its output the management target for the week—usually about 18,000. The fact that actual production fell short of this by some 4,000, virtually every single week, was tactfully ignored.

The habit

However, the old British Leyland management had no exclusive rights to meaningless figures; and the habit seems to be catching. Let us examine briefly two of the general assertions made by the company's critics: British Leyland is over-manned, as can be seen from the output per worker; and it is under-capitalised, as can be seen from the investment per worker. If that sounds a reasonable analysis, read it again.

You have spotted it? Then perhaps you qualify for a Parliamentary Committee. The first point is, of course, that if a company is over-manned it will have, by definition, a low ratio of capital, or investment, or what you will, per worker. If there are too many workers, every "per worker" ratio ought to be low; it is a simple matter of vulgar fractions. Only if you deflate the labour force to what it ought to be by competitive standards can you begin to judge the adequacy of equipment, or stocks, or anything else.

Even this, of course, is a gross over-simplification; for to some extent capital and labour are substitutes for one another. Intensive farming, for example, tends to show a very high output per acre, but a low output per man, compared with prairie farming. The more expensive land is, the more sense it makes.

Industrial managements have to make a similar judgement; in an economy where labour costs are relatively low, more labour-intensive methods are likely to be used. It is also important to know something about the market: is it steady, or stop-go? An important study of the electric motor industry once showed that in the market for small motors—the kind used in household appliances—the most "backward" competitor was the most profitable, because he did not have nearly so much capital eating its head off during the regular slumps in the industry. Men can be switched to other work, or at worst laid off. Specialised production tools just sit there.

In any case, what is "output"? Accountants will tend to measure it in cash; but this is no use if a company's pricing policy or its cost levels are under attack. Broad-brush critics like to talk of "units," which makes a Mini equivalent to a Jaguar. Either measure in any case overlooks a much more fundamental question: how much of its product does a company make itself? Some companies tend to make nearly everything that goes into their product; others buy in a great deal of equipment and bolt it together. This is why accountants are very belatedly coming to admit that value added is the real measure of company activity.

Efficiency

This idea, contained in to-day's circular from the Accounting Standards Committee, raises some very severe problems of its own, but at least they are the problems of making a measurement which is, in principle, helpful: value added per worker, value added per £1,000 of capital might tell us something. Unfortunately, it is far from clear what value added means at a time of inflation; the term "value" itself begs questions about the efficiency of a company and the value-for-money it offers to customers (a highly efficient company which believes in keen pricing will tend to show rather low value added compared with a less productive competitor) Add in the well-known problems of measuring capital, and there will be plenty of room for argument.

In short, inter-company comparisons, just like international comparisons (of unemployment, or real income, or even growth) are highly dangerous: their apparent precision—sometimes to two or three figures after the decimal point—masks a fundamental vagueness and muddle. The best standard by which a company can be judged is its own past, and whether it lives up to the promises of its directors. But for to-day's ratio-addicts and league-table enthusiasts, the truth is too simple.

GARDENS TO-DAY

Reviving old vines

BY ROBIN LANE FOX

INTENSE HEAT in Britain and a journey to Italy by way of escape have revived my enthusiasm for vines. They have not been a happy part of my gardening hitherto. A greenhouse is necessary if I wish to cut my own bunches of grapes, and none has been available.

If you too had struggled with Vitis Vinifera Brandt and the excellent Black Hamburgh out doors in cold gardens north of London, you would be persuaded that the fox was probably right when he abandoned the grapes overhead and told himself they were worthlessly sour. Hard little purple bullets have been my only reward for spurring, sunning and manuring. No wonder the foxes show more interest in my dustbins.

One method

Close association and a fortnight's strenuous collaboration with a skilled viticulturist do, however, prompt me to suggest one method of jogging an old and abandoned greenhouse vine into production. Fruiting things which refuse to fruit are the toughest, and most frequent, problem for someone who likes to be bossy about other people's gardens.

Everybody has one somewhere, and it cannot really be blamed on the dogs or the children, those two invaluable scapegoats for most other problems, not least because they are themselves uncontrollable.

Nor can a barren vine be dismissed as too old. The Hampton Court vine was planted in 1768 and remained a lesson to those who thought that vines peaked, like scientists, by the age of thirty. It is well worth taking trouble with an old vine, if you happen to have inherited one with a pre-war greenhouse.

Ten years ago, I had reason to assist in the revival of three huge greenhouse specimens. They looked wretched and were only a home for red spider. A yellow-brown photograph of their heyday still hung framed beside the green point of the vinery's old iron ventilation lever. A gardener in knickerbockers and two maids in uniform were shown beneath a crop which might have belonged in some Muslim paradise. The dark bunches hung down like swarms of bees and showed the same level bloom from top to bottom.

Vine Madresfield Court, 1919, ran the caption, a superb old variety with the Muscat flavour of its two parents: the Worcestershire garden from which they took their name was the garden behind Evelyn Waugh's fictional Brideshead, a fitting home for such a heady variety. I had no idea how they could possibly be brought back from their yellow-brown old age.

For the next fortnight, I learnt that one should attack the roots. The soil, of course, had to be changed. Usually, an old vine has exhausted it, and neglect causes it to drain too slowly. A rich turfy loam suits a vine very well, so if ever you happen to be taking up some of your lawn in order to make a new flowerbed, wonder whether you cannot use the turf as a means to grapes.

The recipes of the initiated are of course more awesome. Our directing viticulturist would repeat the old formula passed on by his instructing gardener a generation previously: a cartload of turf, a hundredweight of quarter-inch bones, a barrowload each of mortar, old broken bricks and the rubble of plaster, the whole to be mixed with a load of road-scrapings. Thanks to the motor car, I was spared the task of collecting the latter.

While changing the soil, you should be aiming to reach the main roots and cut out all those which are long, old and bare. You can work inwards, assuming your vine is in a five- or six-foot border, and come to rest about a foot from the stem. It is important to shade any exposed roots during your progress, as a vine hates to be dried out at its vulnerable parts: a protection of damp straw works very well.

A prudent pruning of the roots and a change of soil is followed by a shortening of the lesser side-growths which are probably out of control. If the main stems are weak and spindly, there is nothing for it but to cut them back and choose a healthy young replacement, if available, near the base. This lets you in for a three-year delay while the young stem becomes a main one, but it is a successful treatment.

Meanwhile, the spurs on the main stem must never be less than a foot apart. Overcrowding is a frequent error and, as a grape likes to be damp, warm and airy, it is fatal for the crop. Syringeing is almost essential once growth has begun in April. If you cannot give your vine a damping down every night after work, you will not be entitled to much of a reward.

For a fortnight, then, we dug, pruned and turfed round the stems of the three old Madresfield varieties. In spring we returned to give a dressing of bone-meal and horse-manure; I dare say that arrangements were made thereafter for road-scrapings and plaster rubble. When I saw the old trio again, two seasons had passed and the two whose main stems had been left intact were showing a heavy, evenly-spaced crop. The great days of 1919 had not been recaptured, but already there was no doubt that the vines had been rescued and 25 years' neglect reversed by an assault on the roots. There are not many sources of production of which the same can be said.

If you want to experiment with vines in a cold greenhouse, do not be deterred by the spacious sound of this story of rescue. Neither artificial heat nor a huge area is necessary. You are even advised to plant your vine outside the glasshouse and train it indoors. Purists are right to insist that a vine house should be for vines only. They do not combine with tomatoes and the like, so the choice of a vine is a limiting choice.

Vintage producers

Nor need wine be far from your expectations. Notcutts of Woodbridge, Suffolk, are a reliable source of the two most likely vintage producers, Riesling Sylvaner and Seyve Villard. Full instructions are supplied with the plants, though you are presumed to be capable of doing your own treading. For those who feel that the stain of purple juice on their ankles and the breathing of home-grown grape fumes will never become a reality, there are other possibilities, more horticultural, to which I will return next week.

Songwriters name their top ten

Songwriter Leslie Sarony, songwriter, singer and actor Jack Warner, and bandleader Harry Leader, were among the ten gold badge winners for 1975 awarded for service to music by the Songwriters Guild of Great Britain.

The other winners are actor John Blythe, Robert Kingston, songwriter and managing director of Southern Music; Father Caruana, the Roman Catholic priest who inaugurated the Gibraltar Song Festival; Cliff Adams the singer; Judith Henry, the first girl secretary of the Songwriters Guild; John Franz, record producer; and Edrich Siebert, brass band adjudicator.

TV Radio

† Indicates programme in black and white.

BBC 1

9.20 a.m. Wacky Races. †9.30 Robinson Crusoe. 9.55 The Record Breakers. 10.20 Cricket: Gillette Cup semi-finals coverage. 1.25 p.m. News. 1.30 Camberwick Green. 1.45 Cricket: Gillette Cup. 4.25 Play School. 4.50 Country Search. 5.20 Yao, African Prince.

5.45 News.
6.00 Nationwide (London only).
6.25 Bugs Bunny.
6.35 Dr. Who.
7.45 "Locusts" (film made for television).
9.00 News.
9.25 Ministerial Broadcast by the Prime Minister.
9.35 The Diane Solomon Show.
10.05 The Rough With The Smooth.
10.35 Success Story.
11.05 The Detectives.
11.55 Weather/Regional News.

All Regions as BBC 1 except at the following times:—

Wales—1.30-1.45 p.m. O Dan y Mor. 5.20-5.40 Malwynaldwyn. 5.40-5.45 Crystal Tipps and Alistair. 6.00-6.25 Wales To-day. 6.25-7.15 Star Trek. 7.15-7.45 Heddiw. 7.45-7.50 Tom and Jerry. 7.50-9.00 Dr. Who. 11.45 News of Wales.

Scotland—6.00-6.25 p.m. Reporting Scotland. 9.55-10.25 Breathing Space. 11.45 Scottish News Summary.

Northern Ireland—4.23-4.25 p.m. Northern Ireland News. 6.00-6.25 Scene Around Six. 11.45 Northern Ireland News Headlines.

England—6.00-6.25 p.m. Look North (from Leeds, Manchester, Newcastle); Midlands To-day (from Birmingham); Look East (from Norwich); Points West (from Bristol); South To-day (from Southampton); Spotlight South-West (from Plymouth).

BBC 2

6.40 a.m. Open University.
10.35 Nai Zindagi Naya Jeevan.
11.00 Play School.
4.00 p.m. Cricket: Gillette Cup: semi-finals coverage.
5.00 Open University.
7.30 Newsday.
7.45 A Taste of Britain.
8.10 The Ascent of Man.
9.00 The Accursed Kings.
10.45 Cricket: Gillette Cup highlights.
11.15 News Extra.
11.24 Closedown: Georgine Anderson reads "Harp Song of the Dane Women" by Rudyard Kipling.

LONDON

10.25 a.m. Wait Till Your Father Gets Home. 10.45 "Steel Town," starring Ann Sheridan and John Lund. 12.05 p.m. Bush Boy. 12.30 Hatty Town. 12.40 Pipkins. 1.00 First Report: News, FT index. 1.20 Lunch-time To-day. 1.30 Mr. and Mrs. 2.00 Good Afternoon. 2.25 Mid-week Racing from York. 4.25 Michael Bentine's Potty Time. 4.50 Going a Bundle. 5.20 The Brady Bunch.

5.50 News from ITN.
6.00 A Town Called . . . Richmond.
6.35 Crossroads.
7.00 Don't Ask Me.
7.30 Coronation Street.
8.00 Down the 'Gate.
8.30 "Dying Room Only," starring Cloris Leachman.
10.00 News.
10.30 Ministerial Broadcast by the Prime Minister.
10.40 About Britain.
11.10 Barnaby Jones.
12.05 a.m. It Matters to Me.

All ITV Regions as London except at the following times:—

ANGLIA

1.25 p.m. Anglia News. 2.00 Houseparty. 5.20 Lassie. 6.00 About Anglia. 8.30 The Wednesday Film. 11.10 Oscar Peterson Presents—Count Basie and Joe Williams. 11.40 The Big Question.

ATV MIDLANDS

1.20 p.m. Lunchtime Newsdesk. 5.20 ATV Today including Junior Police Five. 6.00 ATV Today. 8.30 Cartoon. 8.35 The Snoop Sisters. 11.10 Night Gallery. 12.10 a.m. Barch Conk[illegible]

BORDER

†1.25 p.m. Border News. 2.00 Houseparty. 5.20 The Rovers. 6.00 Border News and Lookaround. 8.30 Columbo. 9.55 Cartoon Time. 11.10 The Baron. †11.55 Border News Summary.

CHANNEL

1.25 p.m. Channel Lunchtime News. 5.20 Circus. 6.00 Channel News. 6.10 Adventures in Rainbow Country. 8.30 TV Movie. 9.50 Vision U.S.A. 11.10 Night Gallery. 11.50 News. Weather in French followed by [illegible]

GRAMPIAN

12.10 p.m. Arthur of the Britons. 12.35 Lunchtime Call. 1.20 Grampian News Headlines. 5.20 Out of Town. 6.00 Grampian News. 6.10 Farming News. 6.15 Love American Style. 8.30 Kung Fu. 9.30 Orson Welles Great Mysteries. 11.10 When Do You Know Enough About Sex To Write A Book About It. 11.40 Evening Prayers.

GRANADA

10.30 a.m. Sesame Street. 11.30 The Black Arrow. 12.15 p.m. Around the World in 80 Days. 12.35 Cartoon. 1.20 Take Kerr. 5.15 Betty Boop. 5.20 Crossroads. 6.00 Granada News. 6.05 There Was This Fella . . . 6.30 Firehouse. 8.30 The Wednesday Film: "Seven Women" starring Anne Bancroft and Flora Robson. 11.10 The Baron. 12.05 a.m. Inner Space.

HTV

1.20 p.m. Report West Headlines. 1.25 Report Wales Headlines. 1.30 The Galloping Gourmet. 2.00 Houseparty. 5.20 Orbit 5. 5.25 Crossroads. 6.01 Report West. 6.15 Report Wales. 6.30 Mr. and Mrs. 8.30 Mr. Inside/Mr. Outside. 9.55 Gustavus. 11.10 Gilbert and Sullivan For All: "The Yeoman of the Guard."

HTV Cymru/Wales—As HTV General Service except:—1.20-1.25 p.m. Penawdau Newyddion y Dydd. 4.25-4.35 Miri Mawr. 4.35-4.50 Miri Mwy. 6.01-6.15 Y Dydd.

HTV West—As HTV General Service except:—1.20-1.30 p.m. Report West Headlines. 6.15-6.30 Report West (part 2).

SCOTTISH

11.50 a.m. Flipper. 12.15 p.m. Alphabet Soup. 1.25 Road and Weather Report. 5.20 Kiri. 5.25 Crossroads. 6.00 Scottish News. 6.05 Isabel on Wednesday. 8.30 Cartoons. 8.35 The Snoop Sisters. 11.10 Late Call. 11.15 The Odd Couple.

SOUTHERN

11.00 a.m. "Sailor Beware," starring Dean Martin and Jerry Lewis. 12.30 p.m. Hammy Hamster's Adventures on the Riverbank. 1.20 Southern News. 2.00 Houseparty. 5.20 Betty Boop. 5.25 Crossroads. 6.00 Day by Day. 8.30 Comedy Premiere. 9.00 Hawaii Five-0. 10.40 Orson Welles Great Mysteries. 11.10 Southern News Extra. 11.20 Movin' On.

TYNE TEES

12.35 p.m. Starting Point. 2.00 Women Only. 5.20 Around the World in 80 Days. 6.00 To-day at Six. 8.30 "Death Cruise," starring Polly Bergen. 9.50 Cartoon. 11.10 Kenneth McKellar at Home. 11.40 Late News Extra. 11.45 Life with a Capital Jesus.

ULSTER

1.20 p.m. Ulster News Headlines. 4.23 Ulster News Headlines. 5.20 Inner Space. 6.00 Summer Reports. †8.30 Wednesday Movie: "Alf's Button Afloat," starring The Crazy Gang. 11.10 A House in Regent Place.

WESTWARD

11.50 a.m. Let's Face It. 12.15 p.m. The Tomfoolery Show. 12.30 Gus Honeybun's Birthdays. 1.20 Westward News Headlines. 5.20 Circus. 6.00 Westward Diary. 8.30 TV Movie: "What's A Nice Girl Like You?" starring Vincent Price. 9.50 Vision U.S.A. 11.10 Westward Late News. 11.13 Night Gallery. 11.50 Faith for Life

YORKSHIRE

1.20 p.m. Calendar News. 5.20 Out of Town. 6.00 Calendar. 8.30 "Death Cruise" (TV film). 9.35 Speedy Gonzales. 11.10 Police Surgeon. 11.40 World Snooker.

RADIO 1 247m

(S) Stereophonic broadcast

6.00 a.m. As Radio 2. 7.00 Noel Edmonds. 9.00 Tony Blackburn. 11.00 Dave Lee Travis with the Radio 1 Roadshow. 12.30 p.m. Newsbeat. 12.45 Johnnie Walker. 2.02 David Hamilton (S) (also on VHF). 5.00 Newsbeat. 5.15 Anne Nightingale reviews the latest sounds 7.00-12.33 a.m. As Radio 2

RADIO 2 1,500m and VHF

6.00 a.m. News Summary 6.02 Simon Bates (S) including 6.15 Pause for Thought. 7.02 Tony Brandon (S) including 8.27 Racing Bulletin. 8.45 Pause for Thought. 9.02-11.30 Pete Murray's Open House (S) including 10.30 Waggoners' Walk. 11.30 Jimmy Young (S) including at 12.02 p.m. and 1.02 Sports Desk. 1.50 Sports Desk. 1.55 Good Listening (VHF). 2.02 David Hamilton (S) as Radio 1, but including on 1500m. only (also 202m. Scotland). 2.45, 3.45 and 4.45 Sports Desk 3.15 Racing from York. 5.02 Waggoners' Walk. 5.17 Sam Costa (S) including 5.45 Sports Desk. 6.45 Sports Desk. 7.02 Lucky 13! 7.30 Sports Desk. 7.32 How the West was Sung (S). 8.02 Country Club (S). 10.02 Sports Desk. 10.06 Jean Challis (S) with Music Through Midnight and 12.00 News. 12.31 a.m. News Summary.

RADIO 3 464m, Stereo & VHF

† Medium Wave only

7.00 a.m. News. 7.05 Your Mid-week Choice, part 1: Hummel, Tchaikovsky (S). 8.00 News. 8.05 Your midweek Choice, part 2: Johann Strauss, Franck, Verdi, Beethoven (S). 9.00 News. 9.05 This Week's Composer: Bach (S). 10.00 Clarinet and Piano recital (S). 10.40 Organ Music. 11.20 In Short. 11.30 Violin Sonatas (S). 12.25 p.m. Schumann Ballads (S). 1.00 News. 1.05 Martinu: Symphony No. 4 (S). 1.45 Fauré (S). 2.40 New Records: Hadyn, Cherubini (S). 4.05 Coleridge-Taylor (b. August 15, 1875) recital. 4.35 Ravel's "Bolero" (S). 5.00 Choral Evensong. †5.45 Homeward Bound. †6.05 News. †6.10 Homeward Bound (continued). †6.30 Study on 3. 7.30 Proms concert, part 1: Debussy Mozart, Maxwell Davies (S). 8.45 The Arts Worldwide. 9.05 Proms concert, part 2: Elgar (S). 9.45 Joy and the Law (short story). 10.00 Die Schöne Müllerin. Wilhelm Müller's poems in speech and Schubert's song cycle, complete (S). 11.25 News.

Radio 3 VHF only—6.00-7.00 a.m., 5.45-7.30 p.m. and 12.00-1.00 a.m. Open University.

RADIO 4

434m, 330m, 285m and VHF

6.20 a.m. News. 6.22 Farming Today. 6.40 Prayer For The Day. 6.45 Today including 6.50 VHF Regional News. 6.55 Weather, programme news. 7.00 News and more of Today including 7.27 Sportsdesk. 7.35 Today's Papers. 7.45 Thought for the Day. 7.50 VHF Regional News. 7.55 Weather, programme news. 8.00 News and more of Today including 8.27 Sportsdesk and 8.35 Today's Papers. 8.45 Professor Welsugut's Vital Statistics. 9.00 News. 9.05 The Living World. 9.35 Parents and Children. 10.00 News. 10.05 In Britain Now. 10.30 Daily Service. 10.45 Morning Story. 11.00 News. 11.05 Round Britain Quiz. 11.30 Thirty-Minute Theatre. 12.00 News. 12.02 p.m. You and Yours. 12.27 Brain of Britain 1975. †12.55 Weather, programme news VHF (except London and SE) Regional News. 1.00 The World At One. 1.30 The Archers. 1.45 Woman's Hour including 2.00-2.02 News. 2.45 Listen with Mother. 3.00 News. 3.05 Afternoon Theatre. 4.00 News. 4.05 Comedy Galore: Ealing Film Era. 4.35 Story Time. 5.00 PM Reports. †5.50 Financial Report, VHF Regional News. 5.55 Weather, programme news. 6.00 News. 6.15 Whatever Happened to the Likely Lads? 6.45 The Archers. 7.00 News Desk. 7.30 What Ho, Jeeves. 8.15 Three Steps from the Throne 9.15 Artistic Licence. 9.30 Kaleidoscope. 9.59 Weather. 10.00 The World Tonight (part 1). 10.10 Broadcast by the Prime Minister. 10.20 The World Tonight (part 2). 10.50 A Book At Bedtime. 11.05 The Financial World Tonight. 11.20 Think Tank. 11.35 News.

BBC Radio London

206m and 94.9 VHF

6.00 a.m. As Radio 2. 6.30 Rush Hour. 9.02 Downtown. 11.03 In Town. 12.03 p.m. Call In—1. 12.45 London News Desk. 1.00 Call In—2. 2.03 206 Showcase. 4.03 Look Around London. 4.32 Home Run including London News Desk at 5.0; 6.00. 7.00 In Town. 8.00 Quest. 8.30 Sounds Good. 10.03 Robbie Vincent's Late Night London. 12.00 As Radio 2 until closedown.

London Broadcasting

261m and 97.3 VHF

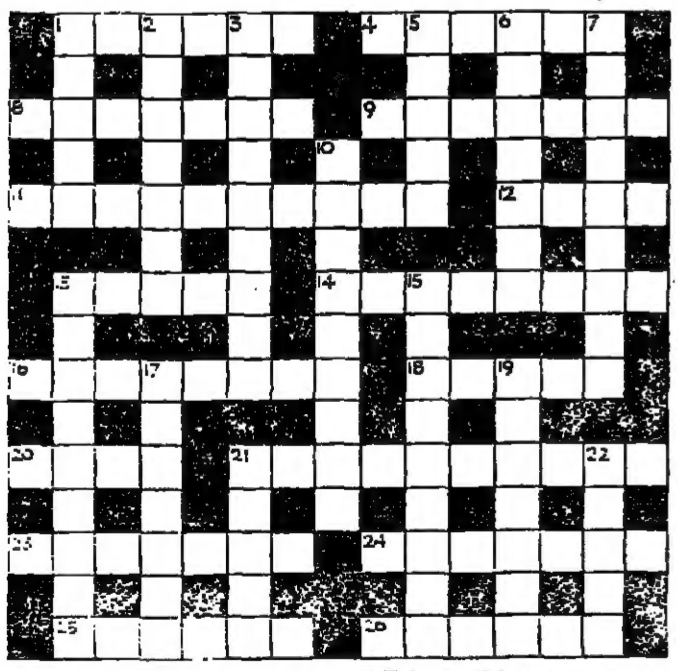
6.00 a.m. "A.M.": breakfast-time news show with interviews, traffic and travel service plus sport. 10.00 Open Line—London talks to George Gale. 12.00 Newswatch. 6.00 p.m. Newsbreak. 7.30 Music in Stereo, devised by Andrew Carnegie. 9.00 Love in London. 1.00-5.30 a.m. Nightwatch—news every half-hour.

Capital Radio

194m and 95.8 VHF

.30 a.m. The Breakfast Show. 9.00 Michael Aspel with music, guests, competitions and "Swapshop." 12.00 Cash On Delivery. 3.00 p.m. Roger Scott. 7.00 London Today. 7.30 Open Line. 9.00 Your Mother Wouldn't Like It: Nicky Horne's rock show. 11.00 Greg Edwards and his late night show. 2.00 a.m. Night Flight.

F.T. CROSSWORD PUZZLE No. 2,859



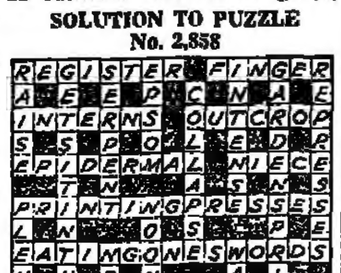
ACROSS

1 Demands from secretive people about one (6)
4 Ten return in the sleigh dirty (6)
8 All that is left after harvest—you can take it on the chin (7)
9 What some birds do adds value to an aircraft (7)
11 "I know no personal cause to spurn at him, but for ——" (JC) (3, 7)
12 Smack a brown horse (4)
13 The track is in private (5)
14 The winner gets a first class return to the station (8)
16 With the score two-all or one-all—it is a question of sex (5, 3)
18 Dissolute person gets on in Yorks (5)
20 This is no nervous twitching of the ear (4)
21 Running after Korea for the elect (6, 4)
23 Ancient stone placed in the list (7)
24 There is a place aboard for part of the orchestra (7)
25 Goes in haste where Moses was found (6)
26 A relative may be tied (6)

DOWN

1 Song for a fisherman (5)
2 A doctor is getting on in evasions (7)
3 Feigns sickness to master delays (9)
5 A window in college (5)
6 Learning may upset the youngster in school (7)
7 Delay not enjoyed by the schoolboy (9)
10 "You men have difficulties and ——s and dangers enough" (Jane Austen) (9)
13 It is normal after 98 (5, 4)
15 Get chips and the fish is bound to come in (9)
17 Radio Programme of Sagittarius? (7)
19 Allowance or point possibly (7)
21 A smart girl that is after a share (5)
22 Cautious with middle age (5)

SOLUTION TO PUZZLE No. 2,858



CONTRACTS AND TENDERS

A. G. McKEE & CO.
on behalf of
YACIMIENTOS PETROLIFEROS FISCALES BOLIVIANOS

INTERNATIONAL PUBLIC LICITATION NO. 5

PURPOSE: Supply of cooling towers for a refinery at Cochabamba, Republic of Bolivia.

OPENING OF BIDS: On October 21, 1975 at the below-mentioned offices, at 11:00 a.m. The bids will be received until that date and time.

INTERNATIONAL PUBLIC LICITATION NO. 6

PURPOSE: Supply of process towers for a refinery at Cochabamba, Republic of Bolivia.

OPENING OF BIDS: On October 23, 1975 at the below-mentioned offices, at 11:00 a.m. The bids will be received until that date and time.

BID BOND: 5% of the amount of the bid.

INQUIRIES AND DOCUMENTATION: Inquiries may be made and specifications and bidding conditions may be secured at the office of "A. G. McKEE & CO.," Hipolito Yrigoyen 440, 8th floor, Buenos Aires, Argentina.

PRICE OF SPECIFICATIONS AND BIDDING CONDITIONS: U.S. $50.00 or its equivalent.

VALIDITY OF OFFERING: Thirty days following bid opening date.

FINANCING: By the BANCO INTERAMERICANO DE DESARROLLO (INTERAMERICAN DEVELOPMENT BANK), in accordance with Contract No. 225/OC-BO with the Government of the Republic of Bolivia.

SYRIAN STORING & DISTRIBUTING COMPANY PETROLEUM PRODUCTS "SADCOP"

File No: 47
Number: 3483/32/46
Date: 6/8/1975
ANNEX TO ADVERTISEMENT FOR AN URGENT CALL FOR TENDER

In continuation of SADCOP'S previous advertisement dated 2/7/1975 in connection with their need for the supply of refined oil products, we point out the following:

1—Commercial centers and societies particularised in the export of petroleum products are permitted to participate in this Tender.
2—Divisibility of Gasoil is permitted and offers for quantities less than 702,000 MT. will be accepted conditional to abiding by the supply programme already advertised.
3—It is imperative to quote the number of this advertisement and the number of the file on the envelope of the offer.
4—All remaining conditions duly advertised remain unaltered.

General Manager
M. Nadim Badieh

LEGAL NOTICES

No. 002521 of 1975

In the HIGH COURT of JUSTICE Chancery Division Companies Court In the Matter of ESCORT CONTRACTORS Limited and In the Matter of The Companies Act 1948.

NOTICE IS HEREBY GIVEN that a Petition for the winding up of the above-named Company by the High Court of Justice was on the 4th day of August 1975, presented to the said Court by CITY ELECTRICAL FACTORS LIMITED of Abacus House, 33 Gutter Lane, Cheapside, London, E.C.2. And that the said Petition is directed to be heard before the Court sitting at the Royal Courts of Justice, Strand, London WC2A 2LL, on the 13th day of October 1975, and any creditor or contributory of the said Company desirous to support or oppose the making of an Order on the said Petition may appear at the time of hearing in person or by his Counsel for that purpose; and a copy of the Petition will be furnished by the undersigned to any creditor or contributory of the said Company requiring such copy on payment of the regulated charge for the same.

SEYMOUR MAJOR & CO., 14 Palace Gardens, Enfield, Middx. Solicitors for the Petitioner.

NOTE.—Any person who intends to appear on the hearing of the said Petition must serve on or send by post to the above-named, notice in writing of his intention so to do. The notice must state the name and address of the person, or, if a firm, the name and address of the firm, and must be signed by the person or firm, or his or their solicitor (if any), and must be served or, if posted, must be sent by post in sufficient time to reach the above-named not later than four o'clock in the afternoon of the 10th day of October 1975.

GEOFFREY DADD LIMITED IN LIQUIDATION

NOTICE IS HEREBY GIVEN that the creditors of the above named company, which is being voluntarily wound up, are required on or before the 9th September, 1975 to send their names and addresses and particulars of their debts or claims to the undersigned Mrs. Jeanette Robertson Dadd of 68, Mayfield Road, Sutton, Surrey, the liquidator of the said company and if so required by notice in writing from the said liquidator are to come in and prove their said debts or claims at such time and place as shall be specified in such notice or in default thereof they will be excluded from the benefit of any distribution made before such debts are proved.

Dated this eighth day of August, 1975.
J. R. DADD.
Liquidator.

COMPANY NOTICES

ESSO PETROLEUM COMPANY LIMITED

NOTICE IS HEREBY GIVEN that the TRANSFER BOOKS of the 5¼% First Debenture Stock 1974/78 of this Company will be CLOSED from the 1st to 14th September, 1975, both dates inclusive.

E. S. KIRK, Secretary.
Victoria Street,
London, S.W.1.
16th August, 1975.

EUROPEAN COAL AND STEEL COMMUNITY

5¼% TWENTY YEAR BONDS OF 1964, DUE NOVEMBER 15, 1984

The Commission of the European Communities announces that the sixth annual instalment of bonds amounting to US$2,000,000 has been purchased for redemption on 15th November, 1975.
20th August, 1975.

Corinne McCarthy

Michael Williams, Anna Massey and David Yip in Charles Wood's new play 'Jingo,' which opened last night at the Aldwych

Shaw

The Lord of Misrule

by B. A. YOUNG

Very well devised for the National Youth Theatre, this piece by Allan Swift and Bob Tomson. There are a dozen more or less equally-weighted parts at the centre of things, and room for crowds of extras besides the smaller speaking parts. It has the fault the company seems unable to outgrow, that there are no adequate parts for girls. The ratio of m to f is three to one—nearer five to one if you exclude the crowds—although I have been told that many more girls than boys apply to join the company.

The Lord of Misrule is inescapably a boys' play, for it deals with one of the Elizabethan boys' acting companies that we hear about in *Hamlet*. The company is masquerading as a choir, the Children of the Chapel Royal, which earns them a royal warrant to impress suitable boys, and its sinister Master makes the mistake of taking Edward Clifton, son of Sir Henry Clifton, an influential country squire. They hijack him at the crowning of the Boy Bishop at New Year, and he has got his family to release him in time for May Day. In the interim he is trained in dramatic art well enough to play in a performance of *The Knight of the Burning Pestle* before the Master of the Queen's Revels.

The play falls roughly into four sections: a rural scene concluding with the kidnap, a look at the boys in training, the performance and its aftermath, and the May Day junketings. I think the outside acts are rather too full of detail concerning characters who are not involved enough in the main play; but the scenes at the "choir" school, with short bits illustrating the way the children are trained in acrobatics, dancing, fencing, singing and even courtship (to which one of the boys takes with enthusiasm) are well done, and the subsequent performance, though it has to be sent up a bit, is good fun.

It would be unfair of me to single out individuals when it is clear that both the writing and the direction (by the same hands) are intended to give equal chances all round and the standard shows the NYT on a good level. There is a useful set by Dee Greenwood based on a balcony dividing the stage from wing to wing; it provides an inner stage and an upper stage in true Elizabethan manner—more Elizabethan than some gruesomely "period" dialogue like "Each and every one of us shall see Her Majesty!" which is what the New Yorker would call a shout that we doubt ever got shouted. There are occasional miscalculations in direction detail, such as the choir practice (well sung) where the boys have no music to read from.

Round House

Triquetra-Plus

by MAX LOPPERT

It was gratifying to discover that an audience of decent size can be found for concerts of live electronic music, even when given by newcomers such as this five-man ensemble based on Southampton. The bait on Monday was Stockhausen and *Hymnen*, given (for the first time in London) in the version for four-channel tape and four instrumental soloists; earlier in the evening, for the concert of pieces predominantly by the Southampton players themselves, the turn-out had also been good, and the programme of interest enough to reward it.

Stanley Haynes, who controls the electronics of Triquetra-Plus, began the evening with *Extensions* for clarinet (Charles Hine) in duet with itself by means of tape delay. The phrases the clarinet first shaped were long, lyrical, interrupted with athletic leaps and stuttered punctuation—phrases of eloquent and well-ordered shape made even more so against the muted merging and fading of the speakers. "Polyphony" is an easy, now even a hackneyed, effect for composers exposing single instruments to tape-modulation and delay; the poetry of this piece indicated that Mr. Haynes is exploring the medium in an uncommonly sensitive and subtle manner, without recourse to modern cliché.

The other work of particular delicacy and imagination in this hour-long programme was *Violostries*, for solo violin and pre-recorded tape, by the French composer Bernard Parmegiani (b.1927). The tape provided a strongly "orchestral," indeed almost tonal, background to the virtuoso flights of the soloist, as though the cadenza and coda sections of he old, romantic, fiddle-concerto dazzlers were being transmuted into a new medium. Irvin Arditti was the impressive soloist; his own *Modules I* for clarinet and electronics bore the force of gesture that had marked his playing, though not yet the concision that ideally accompanies force.

Then *Hymnen*. Those in the audience familiar with the record of the tape published several years ago, in which the sound was necessarily reduced to the confines of stereophonic speakers, must have found thrilling the amplification of this gigantic adventure in "world music" into the four-channel form. The parts played by the instrumentalists (Jonathan Harvey, electronium; Stephen Montague, piano; Charles Hine, percussion; Irvine Arditti, viola) seemed not to engage the attention in any additionally dramatic or informative manner. Indeed, given the complexities of event and texture pouring from the four speakers, it was all too easy to ignore their presence—at only one moment, in the Fourth Region, did an outburst on the tam-tam appear to herald any notable interaction between live forces and taped sound.

And the piece itself? *Hymnen* has been described, on this page, as "a masterpiece of this century: a great and moving work, genuinely new in content and conception, linking past and present in a marvellous synthesis." Daunting words to challenge, for anyone so much out of sympathy with it that almost the entire span of more than two hours was an ache of tedium. The gap between the ideas as pronounced and proposed in verbal form by both the composer and his enthusiasts (there was a lucid talk on the work earlier in the evening by Dr. Harvey), and the form those ideas take in sound, seems to me achingly, unbridgeably wide.

Albert Hall/Radio 3

Vaughan Williams

by THOMAS WALKER

It is odd to find strong resonances between works whose composers were of markedly different backgrounds and clearly did not influence one another. To my ears the Fourth and Sixth Symphonies of Vaughan Williams, the last three of Carl Nielsen and, to a lesser extent, such pieces of Bartók as the Music for Strings, Percussion and Celeste have this sort of common core. Up to a point I can identify the technical qualities which make it up (spare and dissonant tonal counterpoint usually emphasising two parts, characteristic quiet use of strings in a high register). But the real nature of shared content lies, I am sure, in that level of general historical—and not just musical—experience common to these composers, particularly the disastrous consequences of imperialism from the First World War to (for Vaughan Williams) the rise of the Nazi's to power in Germany.

The pessimism which permeates Vaughan Williams's Fourth and Nielsen's Sixth is hardly imaginable in another context. Vaughan Williams's statement to the effect that the Fourth Symphony was not meant as "a definite picture of anything external—for example, the state of Europe" reflects, more than anything else, a limited understanding of the wealth of relationship between social experience and the "purely personal."

One secret of the powerful and evocative performance by Colin Davis and the BBC Symphony of the Fourth Symphony at Monday's Prom was its sure, carefully reasoned pacing. Davis fitted together the difficult, even quirky joins without ever forcing, and with a fine sense of drama: the transition to the scherzo was electrifying. The orchestra played cleanly and responsively throughout, giving the necessary musical clarity to Vaughan Williams's philosophical confusion.

Bartok's First Piano Concerto, not the richest of his larger works, received a nimble reading at the hands of the young French pianist Michel Béroff, who kept its percussive propensities always within bounds. The accompaniment was not always ideally comfortable, and the chamber music for piano and percussion in the slow movement lacked intimacy.

Davis chose generally relaxed tempos for Mozart's "Linz" Symphony, but the performance was taut and alive. Despite a momentary instability of tempo, the opening adagio came tense and dramatic; the allegro was exuberant and gently extrovert. I found the scaling of detail in the finale particularly happy, the fragments of counterpoint always thrown into proper relief, yet without exaggeration.

Festival Hall

Swan Lake

Although *Swan Lake* probably survives because people like to hum its tunes, and a good many dancers contrive to give performances on rather that same faintly familiar level, it remains in essence a ballet about feeling, an allegory of love. In its late Romantic agonisings we may still perceive the clash of a spiritual love—typified by Odette's tragedy—and the lure of something more profane in Odile's hallucinatory charms. It is also a taxing stylistic exercise for its cast, wherein the last great flowering of the 19th century *danse d'école* was made to serve a powerful emotional drama. Few are the stagings—the Kirov's; the Royal Ballet's—which provide both setting and opportunities for interpretations that can respond to this double challenge. Fewer still the performances that succeed, though most recently Natalia Makarova and Anthony Dowell have shown us that the seemingly impossible can be made marvellously true.

With Festival Ballet's production there seems little chance of any lightning flashes of revelation. Mannered designs, a corrupt text and workaday company performances—the swans brought on in Act 2 on Monday at a brisk trot, like Bersaglieri on manoeuvres—do not encourage many hopes for the occasion.

Both Maina Gielgud and Peter Breuer, who led the presentation, seem to view the ballet as a show-case for virtuosity of a particularly unattractive bluster. Miss Gielgud's Swan Queen, pallid unto death, did little to persuade me of the force of her tragedy, while her Odile balanced excessively and spun, and opted for a vehement bravura more suited to the tanbark than the ballroom. Mr. Breuer, seizing his chances for showing off with a good deal of energy, produced brash double tours, and looked throughout the evening more optimistic than Siegfried's fate would seem to justify. They danced, as it were, at the top of their voices; but there is more to *Swan Lake* than a constant fortissimo and double fouettés, though I am in duty bound to record that the audience seemed well pleased with the affair.

CLEMENT CRISP

Television

How they played the game

by CHRIS DUNKLEY

Sam Leitch, head of sport for BBC television, is an ungrateful man: during *The Editors* on BBC 1 on Sunday he complained that Fleet Street television critics write enthusiastically about documentaries or plays but not about televised sport. Yet this column has frequently been devoted entirely to sport — golf, tennis, athletics, football — and not only during my own incumbency but before that, too, in the days when T. C. Worsley wrote it. Moreover a rapid check through examples of such columns suggests that they have, almost invariably, been complimentary about BBC sports programmes.

On the whole, nevertheless, Leitch has some grounds for complaint in that many television critics do refer to sports programmes only in passing. I suspect that my reasons for devoting more space than do some of my colleagues to sport are very similar to those of my predecessor; each of us came to television criticism with an established interest in (and regard for) the theatre. I have no doubt that Mr. Worsley had great hopes for the development of drama on television, and I know that I had, but I am afraid that at different periods — he in the '60s and I in the '70s — we have been largely disappointed, I rather more than he perhaps.

Certainly it is difficult to find any great enthusiasm for most conventional one-off television plays. *Anglia's production, for instance, of Goose With Pepper* on Tuesday last week was near to typical in that it faded effortlessly from the memory and I have to read through my notebook to recall the main points of the plot.

In major sports events, on the other hand, television has found a form of drama — very often live drama — which suits the medium extremely well. The word "drama" has, of course, been applied so often to sport that it is now far too easy to overlook the truth and the significance of that analogy. The fact is that in sport television finds many of its greatest heroes and heroines (and the viewer has no difficulty at all in "believing" in them because they have the enormous advantage of not having been invented by playwrights) and finds, too, many of its most pleasantly frightening villains and demon kings.

Western films have created a cliché out of the quiet, industrious, sober, god-fearing man who, when everyone else has *failed the community*, girds up his Colt 45 and strides out tight-lipped to out-gun the baddies, much to the amusement of the town yobs who jeer at the supposed disparity between intention and ability. He was using a cricket bat instead of a hand gun, but David Steele's performance on behalf of England in the second and third Tests (after so much sneering at his selection) has epitomised that character. Steele's stubbornness in calmly refusing to be cowed by the supposed demon bowling of Lillee and Thomson—or Gilmour and Walker for that matter—amounted in the end to heroism, and it was no surprise at all to discover on Thursday that he is a man with the sort of modesty that makes it desperately embarrassing for him to remain in public when the outside seam of his trousers develops a six inch split at the hip. Twelfth man had to rush out with safety pins. No suspension of disbelief was necessary for the viewer to feel great sympathy. We knew it was real.

David Steele

When he was dismissed on Monday morning, only eight runs short of his first Test century, I was quite ready to weep for him.

It is not just Steele, though, nor the almost unbelievable *Hotspur* quality of Edmonds' performance on Friday when he took five wickets in his first Test match, which has made cricket the drama of the month: it is the tension that develops throughout the five days of a Test with all the obvious conflict between the two sides; the more subtle internal strains which develop not only between team and team, batsman and bowler, but even within a side, the analysis and the synthesis; and sometimes, for those of us lucky enough to be able to watch from start to finish, a degree of Aristotelian catharsis which is both more pure and more powerful than the theatrical version.

One must, of course, be careful to differentiate between sports. The past week has seen not only the incessant excitement of the third Test, but also the sheer ennui of a new soccer season. The opening sequence of the season's first *Match Of The Day* on BBC1 was pathetically revealing: "Oh what a goal!" shrieked a hoarse commentator's voice over the credits, and the word "goal" was electronically echoed three times. No doubt such spurious frenzy is felt to be necessary in a game as slow as soccer, where one is lucky to see three goals scored in 90 minutes, a period in which a Test side might well score 100 runs.

However, on Saturday and Sunday BBC1 relayed to us from Nice two programmes of another sport which, during the last few years, has also proved repeatedly that it contains drama of a quality superior to that found in so many drama slots. Coverage of the European Athletics *Cup Final* was supplied by the French television service which managed — just as an example, this—to cover the shot contest in such a way that they never filmed the winner, who happened to be Geoff Capes of Great Britain. Even more extraordinary was their apparent inability to site a camera so that it pointed across the finish and up the home straight. Taken all round the coverage was very poor by British standards.

Yet there was nothing that even French television could do to ruin the 5,000 metres, directed by Brendan Foster who also starred. In his previous 5,000 Foster was beaten in front of his home crowd in Gateshead by a New Zealander. In Nice he was running to re-establish himself, and among those he had beat was Viren, a Finn who had the great middle-distance tradition of his country to uphold, as well as his reputation to protect. It would take a playwright hours to establish a conflict with background details as complicated as those in Sunday night's 5,000 metres.

When Foster decided to take the lead (being the sort of runner who does simply "decide" such things) and Viren stayed behind his shoulder like Peter Pan's gauze shadow, my own pulse rate rose noticeably. And when Foster then kicked in a lap that was not two or three seconds faster than the previous laps but eight seconds faster, and ran the heart out of Viren in a manner which—for once — really deserves the description merciless, then the world of north-west London disappeared entirely and involvement was total; a suspension of present consciousness which is rare indeed in the live theatre, never mind television drama.

With its zoom lenses and close-ups, its shoulder-mounted minicams and instant replays, television has created out of sport a unique form of dramatic entertainment. TV Wimbledon is different from Wimbledon Wimbledon; the BBC Test is different from the Headingley Test. This is not to say that sitting in your own armchair watching the Test is better or more worthwhile than sitting in the stands at Headingley watching it. However, it is often better than sitting in your own armchair watching a mediocre TV play.

And just in case anyone is tempted to repeat the old myth about television killing the very sports events which lay its golden eggs, by discouraging live attendance, it is worth noting that Lord's twice closed its gates and turned away potential paying customers during the second Test, and Headingley closed its gates at 12.20 on the third day of the third Test this week. That never happened in the palmy days of Bradman before the BBC took to televising every ball of every over.

Attendances at football matches are falling, it is true, and in a way television may very well be responsible: after watching other sports on television people are no doubt beginning to realise the truly boring nature of football.

Harrogate Festival

Composers' Quartet

Harrogate has been host this year to three string quartets of comparatively recent foundation, the Medici (1971), the Tokyo (1969) and the Composers' Quartet (1965). All three have university residential appointments, at York, Washington and Columbia respectively, and an admirable habit it has become to install on a campus a group which can severally and individually teach students and perform their works. One effect already has been to rekindle interest in the string quartet as a medium among students of a generation which has been busy dismembering traditional instrumental groupings; and an excellent discipline it is as a stimulus to actual musical thought, whose absence may to some extent be covered up by dazzlingly odd instrumentation but which cannot be avoided in sustained quartet writing.

The Composers' Quartet has changed its personnel a certain amount in its ten years, but has developed a good reputation as an interpreter of many different modern styles: it has to its credit some successful records of Elliott Carter, Milton Babbitt, and other American composers whose music makes steep technical and intellectual demands. Gunther Schuller's First Quartet is comparatively straightforward, though it was a sensible choice for the Festival. Written in 1957, in distant days when a plan for the future seemed to lie in rigorous serialisation of every musical ingredient chastened with a little improvisation, it attempts to present these characteristics as a manner also adaptable to quite simple and light musical statements.

The enterprise is a sympathetic one. Any musical idiom of proper strength ought to be adaptable to a wide range of expressive needs, and it was often difficult to see in the new works of the late 1950s much beyond a formidable seriousness: one hardly liked to suspect that this might contain rather a small amount of actual music. Schuller, a cheerfully irreverent soul with a flair for virtuosity, took the manner up and wrote a showpiece for quartet—but a showpiece that not merely puts the players through hoops but that handles suitable material in a way which the listener can enjoy quite straightforwardly. No great effort, for instance, is required to notice and appreciate the neat, attractive use to which the basic semitone interval is put; and Schuller expresses it all in seductive writing for virtuosos. It is not at all an important work, and there is something a little factitious in its easy success; but if nothing else, it serves to allay suspicions about the idiom in which it is cast. Certainly the Harrogate audience seemed surprised into enjoying the work.

The Quartet's adaptability was further tested in works by Ravel and—a welcome foray into a still too little known area of chamber music — Mendelssohn, his A minor quartet, Op. 13. Based on a song, it is as expertly composed as all his youthful music. The players resisted the temptation to overplay the rather absurd dramatic gestures of the finale, but made a touching point of the song's return after the long violin solo has interrupted all this *Sturm and Drang*. Their natural coolness as a group helped to keep sentimentality at bay: it was less successful with Ravel, whose soft centre lies very near the surface, though the closing pages of the slow movement had an aloof purity which called to mind Boulez's way with Ravel.

JOHN WARRACK

WORLD TRADE NEWS

Swiss textile exports will fall 14% this year

BY JOHN WICKS — ZURICH, August 19.

SWISS EXPORTS of textiles and clothing during 1975 are expected to reach a value of only some SwFr.2.5bn. (£442m.), a 14 per cent. fall below the Sw.Fr.2.91bn (£514m.) of 1974. This estimate is based on an overall downward trend this year so far, with the volume of textile and clothing exports declining in the first six months by 12 per cent. and in value by 16 per cent. below the corresponding months of 1974.

However, no further marked decline in export activity is expected by the industries in question, whose volume sales to foreign markets showed an improvement in the second quarter of 1975 over the first three months.

The overall decrease booked for the first half was primarily attributable to lower textile shipments, particularly of woven materials and embroideries, while clothing exports held up relatively well and in value terms were equal to those of January-June, 1974.

Imports of textiles and clothing fell more sharply than exports—by an overall 21 per cent. in volume and 20 per cent in value—as a result mainly of smaller purchases from abroad of spun goods, yarns and weaves.

The Association of Swiss Clothing Industry announced a 7.9 per cent. drop to Sw.Fr.735m. (£130m.) within the total for imports of clothing. That compared with the unchanged half-yearly export value of Sw.Fr.210m. (£35m.). Amongst supplier countries were South Korea, whose sales doubled, and Taiwan, with a rise of 64 per cent. Those countries are seen as proving an effective competitor for Hong Kong, whose sales to the Swiss market stagnated with a drop of 1 per cent. below the corresponding 1974 period.

No cartel on shoes

THE Swiss Cartel Commission has stated that, despite the closing of 18 shoe manufacturing concerns in Switzerland in the period 1968-1973, there have been no concentration developments which would jeopardise or exclude competition within the industry.

The Commission's report is the second of a series in which conditions of competition are being examined in various sectors of the Swiss economy. The conclusion is that the falling off in business in the shoe industry is attributable primarily to the import boom, the change in consumer demand and difficulties on the part of Swiss producers to adjust to the needs of a bigger market. The Commission says there has been little or no concentration within the industry.

In the period output per year fell from 14.39m. pairs to 10.22m. pairs, turnover from Sw.Frs. 394m. (£70m.) to Sw.Frs.374m. (£66m.) and the labour force from 10,695 to 6,362.

The Commission is of the opinion that the development has not been a wholly negative one in that individual companies with obsolete structures or "insufficient" management have dropped out and other companies and plants have been put to different uses without creating conditions under which effective competition could no longer be guaranteed.

The position of the industry today is such that the Commission even suggests the question might be examined whether the competitive situation of Swiss manufacturers on international markets could not be improved by closer co-operation or a "certain closer moving together" of undertakings.

Japan raises car export targets

TOKYO, August 19.

JAPANESE CAR manufacturers are raising export targets to offset an expected decline in domestic sales. A Toyota spokesman said the company now believed exports this year could match or exceed the 1974 record of 856,000 vehicles, against an original forecast of 800,000.

It now looked "very difficult," he said, for Toyota to meet its original forecast for domestic sales this year of 1.4m. vehicles.

With world-wide recession dampening export demand, Japanese car makers mounted strenuous sales campaigns to boost home sales, which in the first half-year rose 31 per cent. above 1974 while exports dropped 6 per cent.

Spokesmen for Japanese car companies say they now expect domestic demand to slacken because of expected higher car prices forced by dearer steel and other raw materials, and added costs to meet the tough 1975 anti-emission controls.

Japanese vehicle exports in July rose 8 per cent. above June to 244,000 units, the highest monthly level thus far this year and only 1 per cent. below July, 1974.

A Nissan spokesman said he expected export sales in the first half of its financial year ending September 30 would show a fall of 3 per cent. as compared with a year earlier.

But in the second half to March 31, 1976, shipments were expected to rise 7 per cent. to 470,000 units—the earlier forecast was 450,000.

Home sales by Nissan in the first half were forecast to go up by 39 per cent., but in the second half to drop 6 per cent.

Spokesmen generally said a major factor in export hopes was an expected upturn in U.S. demand. Shipments to the U.S. for January-June fell 32 per cent. below a year earlier to 373,000 units. But now manufacturers hope their small-sized, low-fuel consumption cars can stop the downward trend.

Reuter

Mexico fosters links with Guyana

BY OUR OWN CORRESPONDENT — GEORGETOWN, August 19.

MEXICO COULD become a major influence in the Guyana economy if plans between the two countries for joint industrial ventures, increased trade and technological co-operation swing into gear. Mr. George King, Guyana Minister of Trade, has finally revealed the extent of the wide-ranging discussions which he had with Mexican officials a fortnight ago when he led a government team to Mexico City following the visit here by President Echeverria Alvarez.

Mr. King said feasibility studies would be launched shortly for co-operation between Guyana and Mexico in establishing plants here for manufacturing cocoa butter and powder and chocolate, producing paper from bagasse (cane by-products), alumina sulphate, sulphuric acid, cosmetic products, and production of table salt from bulk-Mexican salt.

He further revealed that Mexico has offered to help in establishing a goat farm here, in helping Guyana to overcome its ... problems to permit entry of ... ships, to erect cement silos for storing cement bulk-purchased from Mexico, and to construct a vessel for the river areas of Guyana.

There is also a Mexican offer to become involved in government plans for a major expansion of the sugar industry to raise production from the present level of 350,000 tons to 600,000 tons by 1980.

Mr. King made it clear that discussions with the Mexicans related not only to increased acreage but also to the establishment of additional factories. So far only Britain has been involved in the sugar industry in Guyana through the Booker-McConnel subsidiary, the major producer, and until recently the Jessel group, which bought the Demerara Company from another British owner but which has now been nationalised.

The Minister announced that Mexico will increase its purchase of calcined bauxite from the current level of 3,000 metric tons to 7,000 tons next year and double that in 1977, with provisions for increased purchases in the following two years.

Mexico has also agreed to buy quantities of Guyana's greenheart and mora woods for use in its port development and railway expansion projects. Guyana is now looking at products which it can buy from Mexico. Mexico is also likely to supply Guyana with more than 50 trawlers.

The Mexican offers are so extensive that even the Government is said to be surprised, but the feeling here among observers is that the Mexicans are serious about their proposals.

More trade with Trinidad

BY DAVID RENWICK — PORT OF SPAIN, August 19.

MEXICO IS the latest Latin American country with whom Trinidad and Tobago has signed an agreement in an effort to build up an export trade in what has hitherto been an area closed to goods from the Caribbean Community and Common Market (Caricom) countries.

Following the official visit to Trinidad and Tobago of President Echeverria Alvarez of Mexico it has been agreed that a joint Mexico-Trinidad and Tobago mixed government commission will be established to promote economic co-operation. A joint private sector mission will also be set up.

Current trade between Mexico and Trinidad and Tobago is small—it has amounted to no more than U.S.$3.5m. over the last four years—but Trinidad believes it can sell more fertilisers, garments, rum, natural asphalt, handbags and paint to Mexico. Mexico will try to export oilfield equipment, tools, footwear, construction equipment and drugs among other products to Trinidad.

Japan bids for Iran high-speed rail link

By Charles Smith, Far East Editor

TOKYO, August 19.

Japan hopes to sign a contract to prepare a "master plan" for a high-speed passenger railway linking Tehran and Masshad on the Iranian border with Afghanistan, if talks between the Japan National Railways and the Iranian Government prove successful.

A JNR delegation left for Tehran to-day to put "various alternatives" to Iran following a two-month study mission earlier this year by Japanese engineers. If the Iranians like the Japanese proposals a contract could be signed before the end of the year, and work on the line could begin in 1977.

Japan is apparently the only country being considered for the Masshad line. Japan's special expertise in high-speed passenger lines (the "Shinkansen" linking Tokyo with Osaka and Northern Kyushu) is considered a valuable qualification for the project.

The Japanese "Shinkansen," which has been in operation nearly 11 years, runs at a maximum speed of 210 k.p.h., but Japan has the "know-how" to build a 260 k.p.h. railway system in the right conditions. The Iranians are said to want "at least" 260 k.p.h.

Sources in Japan's construction industry have expressed scepticism about the Masshad project, given the difficulties of terrain and temperature—the route passes over a salt desert which could be corrosive to metals—and the apparent economic dispensibility of the project.

The JNR, however, appears anxious to go ahead, not least perhaps because Japan has lost in the bidding for two other Iranian rail projects: the Khoramshahr and Bandar Abbas lines.

A Japanese bid for the Bandar Abbas line, which will carry copper and iron ore, was disqualified because Japan failed to deposit bonds of the value stipulated by the Iranians. The only two countries which met the Iranian stipulation were Romania and Yugoslavia.

Michelin plan for tyre plant in Brazil

By David White

RIO DE JANEIRO, August 19.

MICHELIN HAS proposed setting up a Brazilian subsidiary to make heavy vehicle tyres in Rio de Janeiro State, with an estimated total investment of $160m.

State Government officials are studying the project, which was discussed with Michelin representatives here last week. Michelin would set up five production lines, with part of the output geared for export. The starting-up date is scheduled for two years after formal approval by the State authorities.

Brazil produced about 16m. tyres last year, an increase of 20 per cent., but failed to meet the growth in demand for heavy-duty tyres. The country is expected to spend over $11m. this year just on rear tyres for tractors.

Albright & Wilson expand in Italy

A £1.3m. plant for the production of domestic liquid detergents and intermediates is to be built in southern Italy for the Marchon Division of Albright and Wilson. The investment is part of the group's £40m. capital investment programme announced early last year.

In addition to the production plant, the new project will include bottle blowing, cap moulding, filling, labelling and packing facilities. It is scheduled for completion next spring.

Located at Frosinone within the designated development area of the Mezzogiorno, it will provide a basis for the development and extension of the company's detergent product range already manufactured at its Castiglione della Stiviere plant in northern Italy.

The Marchon Division is a major supplier of bottled liquid detergents, shampoos and similar products to the Italian market place and a major exporter to neighbouring European countries.

IN BRIEF

Scotch sales in U.S.

Impact of the U.S. recession on sales there of Scotch whisky is reflected in bond clearance figures, which show a 10 per cent. fall over the first half-year to 23.37m. tax gallons. Trading down continues, with bulk shipments for local bottling rising 16 per cent. to nearly 10m. gallons within the total. Tax paid on imported bottle whisky fell almost 25 per cent. to 13.65m. gallons.

Isuzu in Thailand

Isuzu Motors' subsidiary in Thailand has doubled its truck assembly capacity to 1,000-1,100 units monthly. About £1.9m. has been invested in the expansion programme to add trucks of 1-2½ tons loading capacity to the main line of 5-7 ton diesel-engined trucks, which hold 80 per cent of the Thai market.

Sewing machines

Sew-Tric, Stanmore, Middlesex, aims to export sewing machine motors to Africa, the Middle and Far East. Overseas there are said to be millions of sewing machines operated by hand or treadle.

Melbourne facility

Emery Air Freight is expanding its bonded warehouse at Melbourne airport and introducing thrice-weekly direct flights from Heathrow.

New Malawi hotel

Hotel Management International has signed a development and management contract with Capital City Development Corporation for a 100-bedroom £2m. hotel at Lilongwe, the capital of Malawi. Construction will begin later this year.

Export Contracts

PLESSEY is supplying crossbar exchange equipment worth £9m. to Brazil.

MATBRO, Horley, Surrey, reports its largest export order yet, for forklift trucks and loading shovels worth £800,000, from the Egyptian Ministry of Housing and Reconstruction.

MERRYDOWN has sold 12,000 litres of medium sweet apple wine to Denmark, the second shipment in three months. Shipped in bulk, the wine will be sold under the Merrydown label by the importers Det Franske Vinlagen.

UOP Feltham, Middx., is to make $500,000 worth of expansion joints for Kellogg Company, Houston, for a liquid natural gas receiving terminal at Cove Point, Maryland, U.S.

BT SALES AND SERVICE, Sheffield, will supply carbon monoxide exhaust extraction systems worth £10,000 to Erkisens Ford Centre, Johannesburg.

C. HEMMINGS, Prescot, will provide nine prefabricated cold rooms valued at £37,000 to Westcold, Bergen, Norway.

HEAD WRIGHTSON PROCESS ENGINEERING, with Head Wrightson India, will design, supply and erect gas cooling, cleaning and storage systems for two steel-making furnaces at Bokaro Steel, Bihar.

DONCASTERS BLAENAVON (Daniel Doncaster group) has a first order worth £140,000 from Motoren-und Turbinen-Union Munchen for turbine casing, and flange rings for engines of the Franco-German military trainer, the Alpha jet.

Contracts Abroad

WYHLEN - LAGERTECHNIK, Aarau, Switzerland, will construct three store units for West Germany worth Sw.Frs.35m. (£6.19m.). The high-shelf stores, computer controlled, will work to the Swiss concern's system with material being partially supplied by the German subsidiary Eisenbau Wyhlen.

MITSUBISHI ELECTRIC and NIPPON ELECTRIC will handle three telecommunications projects in Algeria: a land-based link station for direct international telephone and TV communications with countries east of Kuwait as far as Japan, a "spade" system for the space centre at Lakhdaria linking Algeria world-wide, and two cable telecommunications networks in the Algerian interior.

BABCOCK AND WILCOX AUSTRALIA is to build two more boilers worth £9m. for the Electricity Trust of South Australia's Adelaide power station.

AMERICAN NEWS

Ford claims that worst of the recession is over

BY ADRIAN DICKS — WASHINGTON, August 19.

PRESIDENT FORD claimed to-day that the worst of the current economic recession was over, but warned that a resurgence of inflationary pressures could still damage the prospects of recovery.

Speaking in Peoria, Illinois, in another of the series of political appearances with which he is punctuating his summer holiday, the President said that "although most of the evidence so far points to a healthy economic recovery, we cannot afford to take that recovery for granted."

Mr. Ford expressed, more strongly than some of his advisers have done, concern at the recent steep increases in both wholesale and retail prices, registered in June and July, and expected to be confirmed when the July retail price figures are published on Thursday. But he blamed the continued strength of inflationary pressures on excessive Federal spending and promised to go on using his veto powers to hold down the swelling budget deficit.

Mr. Ford's customary warnings of the extravagant tendencies of the Democratic Congress, and his revival of inflation as a speaking theme are no doubt pitched to the broadly conservative views of the Midwestern States, where he has been appearing in the past few days and where he needs to cement his support within the Republican Party well in advance of next year's primary campaigns.

However, his remarks on economic matters seem certain to provide new ammunition to his political opponents, now bringing heavy fire to bear on the Administration for its encouragement of further grain sales to the Soviet Union once the ful size of the U.S. harvest was known, and for its alleged complacency over the future of oil prices after present controls expire at the end of this month.

Mr. Ford's promise to an audience of farmers in Iowa yesterday that the ban on Soviet grain purchases would only be a temporary one, coincided with the AFL-CIO trade union organisation's loudly-proclaimed order to East Coast, Gulf and Great Lakes dockers to refuse to load any further cargoes destined for Russian ports.

In another development, a Republican Mid-western congress Republican Midwestern congressman has announced a Bill that would permanently impose export controls on sales to the Soviet Union unless it provided more timely crop information.

The administration also seems to have got itself into further difficulties over oil prices. Yesterday the Federal Energy Administration admitted that a price increase of up to 3 cents a gallon would be felt quickly at retail level if the President succeeds in getting prices decontrolled, while removing his $2 a barrel import fee. Hitherto official economists have predicted that the impact would be felt only gradually, over a period of perhaps six months.

The likelihood that the freeing of prices will in fact occur just at the moment that the recovery of the economy is beginning to gather strength is clearly causing increasing concern to the president's advisers.

Latin American inflation nears 50%

By Adrian Dicks

WASHINGTON, August 19.

LATIN AMERICA achieved an overall growth rate of well over 7 per cent. on average during the three years 1972-74, but saw much of its gain swallowed up by an average 2.8 per cent. increase in population and by an inflation rate that accelerated to nearly 50 per cent. for the region last year. These are some of the points made by the Inter-American Development Bank in its annual report, published here to-day.

The bank identifies a number of reasons for the faster rate of inflation measured in recent years, noting that it has accelerated from an average 16 per cent. during the years 1966-71 to 23 per cent. in 1972, 40 per cent. in 1973, and nearly 50 per cent. in 1974. It blames over-expansion of the money supply in some countries, together with too rapid increases in public sector spending. It also pins much of the blame on the adverse influence of dearer international oil prices, as well as harp increases in other import prices.

GULF OIL FIRE 'DAMAGE $10M.'

PITTSBURGH, August 19.

A GULF Oil Corporation spokesman has said that the preliminary estimate of damages caused by the fire that started on Monday at its Philadelphia refinery is $10m. The estimate is "an educated guess," the spokesman said, adding, "the fire is still burning."

AP-DJ

United Brands to adopt foreign business 'code'

BY JAY PALMER — NEW YORK, August 19.

THE FUTURE overseas operations of United Brands, the diversified U.S. food conglomerate which last April admitted bribing a Honduran Government official to reduce that country's banana export tax, will be guided and mandated by a special company "code of conduct" now being formulated.

This code, United Brand's new chairman told shareholders, will be produced by the company's recently formed investigating committee charged with looking into and reporting on payments the company made to officials in foreign countries. Aside from the Honduran bribe of $1.3m. United Brands has also admitted making payments totalling over $750,000 over the past five years to Italian Government officials.

The company stressed that its future policy overseas will be "to operate in a legal and ethical manner and to adhere to standards which may be set by the appropriate U.S. Government authorities." However, the company specifically refused to confirm or deny that it would in the future abstain from making payments necessary to foreign business and legal under American regulations but still regarded as illegal overseas.

This last point has considerable significance at the moment, with opinion in Washington apparently swinging round to accept that certain overseas payments should be regarded as necessary. Both Lockheed and Northrop, two other U.S. companies also charged by the Securities and Exchange Commission with making illicit overseas bribes, have insisted that such payments are both common and necessary.

The SEC is pushing for regulation that would force companies to disclose in considerable detail such payments (including the amount, the recipient and the purpose) but others are opposing such moves on the grounds that it would effectively ban the making of payments and exclude U.S. companies from otherwise lucrative markets.

'Keep cool' plea on Olympics TV

BY ARTHUR SANDLES

THE VARIOUS parties in the Olympic Games television coverage row are currently trying to pour oil on the troubled international waters. Few peope really believe that the "final" breakdown in negotiations to give the world television coverage of the Games in Montreal next year is in fact final.

Mr. Roger Rousseau, president of the Montreal organising committee of the Games, has now said that the abrupt end of talks (the non-American world offered $C9.3m. against an asking price of $C18m.) was not in fact the end after all. "We must keep cool and serene and find a way out of the problem," he said.

Montreal's serenity was somewhat shaken last week when the supreme Olympic body told it, in effect, to settle the row quickly. Now the European Broadcasting Union has set an end-September new deadline to talks.

Suit against Chase for $45m. damages

By Guy de Jonquieres

NEW YORK, August 19.

A LAWSUIT seeking $45m. in damages has been filed against Chase Manhattan Bank by the court-appointed trustee for a bankrupt subsidiary of Mr. Jimmy Ling's defunct Omega-Alpha conglomerate.

The action responds to a legal claim lodged by Chase Manhattan seeking the return of a $9m. loan which the bank made to the subsidiary, North American Acceptance, in 1972. A Chase spokesman said to-day that the bank had no immediate comment on the trustee's lawsuit. The trustee has asked for the Chase Manhattan claim to be rejected, alleging that it is invalid because it is "grounded in acts of fraud, deceit, conspiracy or other breach of duty and violations of the Federal and State security laws on the part of certain individuals having control of North American, and of others, of which the bank had knowledge at the time it made the loan in question."

North American is a consumer finance company, specialising in loans in the property field, which entered financial re-organisation under Chapter 10 of the Bankruptcy Act about 18 months ago. Its parent company, Omega-Alpha, which was controlled by Mr. Ling, also filed under Chapter 10 earlier this year.

Under Chapter 10, control of the company is transferred to a court-appointed trustee who conducts an inquiry into its affairs and attempts to restructure its finances and meet claims by creditors.

The collapse of North American has been attended by an unusually heavy spate of litigation. Lawsuits seeking $75m. in damages from Mr. Ling and other executives involved have been filed on behalf of holders of the company's promissory notes and many of the same defendants have been charged with fraud by the Securities and exchange commission.

According to the trustee, Omega-Alpha caused North American to borrow $9m. from Chase Manhattan and First National City Bank and lend the money to the parent company for five years against an unsecured note. The trustee argues that North American is not obliged to pay Chase's claim on the unsecured note.

SAN FRANCISCO POLICE STRIKE

SAN FRANCISCO, Aug. 19.

SAN FRANCISCO'S police force went on strike to-day after city officials rejected their demand for a 13 per cent. pay rise. Eighty per cent. of the 1,958-man force said they would handle only calls dealing with major crimes or life and death emergencies. City officials had agreed to a six-and-a-half per cent. rise in the policeman's base pay of $900 a month. But the Police Association dismissed that is inadequate.

Reuter

RACIAL VIOLENCE IN BOSTON

'Southie is my home'

BY GORDON WEIL IN BOSTON

LINES OF helmeted policemen wading into the surf to separate clashing demonstrators. Others on horseback charging into stone-throwing crowds. Little Rock in the 1950s? Detroit or Washington in the 1960s? Wrong. The scene is Boston, the bastion of political liberalism, and it is happening now.

Mayor Kevin White used to take pride in pointing out that Boston was a "liveable" city. By this he meant that his town had been free of the kind of strife that precipitated the decline of so many other urban centres a few years ago. But now the tide of school desegregation, which began with a Supreme Court decision in 1954, has at last hit Boston, and Bostonians are not responding any better than people elsewhere.

Unlike the South, where school segregation of whites and blacks was a matter of official policy, the separation of the races in Boston's schools is the result of housing patterns. The black ghetto areas have had almost no white students in their schools and some white neighbourhoods have never seen a black face in the classroom.

The Federal Government and local civil rights organisations moved again this de facto segregation in 1973. They sought an order from the U.S. District Court in Boston that would provide for integration of all schools. Because of housing patterns, their request inevitably meant that the Court would have to order the busing of many students to schools outside of their neighbourhoods.

One this suit was started, battle lines were formed which have hardened in the intervening two years to the point where violence has become an everyday occurrence. Opposing busing are most of the members of the City Council and of the Boston School Committee. They are almost all white, almost all of Irish extraction. They are backed by the mass of White Bostonians, people just like themselves.

Perhaps the most typical neighbourhood is South Boston, known to its people as "Southie." It is a little bit of Ireland transplanted 3,000 miles. There is a strong sense of community, and even of isolation, from the rest of the city. "Southie is my home," goes a local folk ballad.

The people in Southie don't want to see blacks in their high school. They claim that they are not racist, but do not like to be told what to do by outsiders. Yest, when they are out of the glare of television lights, many admit they simply do not like blacks.

On the other side are Senators Edward Kennedy and Edward Brooke, the only black to sit in the U.S. Senate. They are allied with the civil rights groups. In addition, Umberto Cardinal Madeiros has made it clear that the Roman Catholic Church strongly favours integration. The Cardinal has refused to let the parochial schools become the refuge for white students withdrawn from integrated schools. In Southie, they note that the Cardinal is of Portuguese, not Irish, extraction.

> "They claim that they are not racist, but do not like to be told what to do by outsiders. Yet, when they are out of the glare of television lights, many admit they simply do not like blacks."

Mayor White himself is somewhat in the middle. Up for re-election this year, he has pledged to obey court orders but made it clear that he shares some of the sentiments of the whites.

Of course, the man precisely in the middle has been Federal Judge W. Arthur Garrity, Jr. He is a white of Irish extraction. He considered his decision on the desegregation case for more than a year. But when the voluminous decision was handed down in the summer of 1974, there was no doubt where he stood. Garrity ordered the busing of some 17,000 students as the first phase of school desegregation. Each school was to have at least 10 per cent. whites or blacks. But when the schools opened last year, black children were injured when whites threw rocks at buses bearing them into Southie.

The National Association for the Avancement of Coloured People (NAACP) called for blacks to stay at home, whites decided to boycott the schools and enrolment dropped by one-third. In particular, they disliked busing white children from good schools into inferior black inner city schools.

For those black and white students who attended classes, the threat of violence was omnipresent. Inter-racial knifings took place in the corridors, buses were attacked. The violence spread beyond the immediate school areas. When Sen. Kennedy tried to speak to a crowd of whites gathered near his office, eggs and rotten fruit were hurled at him.

Yet, as the school year wore on, many students returned to classes and violence decreased. Judge Garrity appointed a panel of experts to advise him on the second phase, the final integration plan. Their proposal called for even more busing. After considering it, Judge Garrity went even further and this spring he ordered busing of 26,000 of Boston's 84,000 students.

Frustration among whites mounted and turned into obstructionism at the official level and extensive violence in the streets. The School Committee balked at spending the funds required to prepare the schools for integration. Garrity had to issue repeated orders from the bench that the money simply must be spent.

The next School Committee tactic was to ask for a two-week delay in reopening schools from the scheduled September 3. State education officials and public safety authorities opposed the shift as merely a delaying tactic that would only encourage demonstrators to seek to put even more pressure on the Court. Garrity finally granted a three-day delay on the grounds that previous stalling tactics now made it impossible to be ready on time.

School Committee chairman John J. McDonough charged that the State's opposition to a long delay was designed to help Mayor White's re-election campaign. With a primary on September 22, White wanted "as much daylight between the opening and the election as he can get," said McDonough.

In early August six out-of-town black salesmen were chased by white youths from Carson Beach, which serves South Boston. A week later another incident took place there. Black leaders announced that, on August 10, they would hold a picnic at predominantly white Carson Beach to demonstrate the "fundamental right of every citizen to use public facilities." In response, residents of South Boston said they would hold "Southie Pride Day" adjacent to the picnic. Confrontation was inevitable, and 600 police were on hand to separate about 500 blacks and twice as many whites.

Many Bostonians are openly amazed that racial violence has hit their city. They believed that the liberal Democratic voting patterns there meant that whites would accept integration without much of a struggle. Even now, despite his position on integration, Sen. Kennedy is still the overwhelming favourite to be re-elected next year. Liberals cannot understand why his leadership on this key issue is ignored.

Those on both sides of the issue admit that integration is inevitable. Nowhere in the U.S. have outbreaks of violence thwarted Federally-ordered integration, though conflict has seldom been avoided.

The children pay the highest price. Last year, repeated interviews indicated that they simply wanted to go to school and they did not like all the fuss. Southern students were invited to the schools to discuss how integration has worked there. Now, there is greater polarisation than ever before. Just after ending a clash between black and white youths, a motor-cycle officers told a newsman: "I survived, and they learned to hate one another a little more."

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Australian budget aimed at curbing inflation

BY KENNETH RANDALL

CANBERRA, August 19.

THE 1975-76 budget, introduced by the Government to-night, forecasts a rise of 5 per cent. in real gross domestic product, after the 2 per cent. fall last financial year. The Government is budgeting for a domestic deficit of $A2.16bn. which is $A119m. higher than last year, but the overall strategy is one of reducing inflation at the short term cost of rising unemployment — already over 250,000 or 4.8 per cent. of the workforce.

The Treasurer, Mr. Hayden, announced a 2.5 per cent. reduction in the company taxation rate to 42.5 per cent. and extensive restructuring of the personal tax scales. A double rate of depreciation, introduced last year as a temporary stimulus to business, is being continued beyond the proposed cut-off date of last June 30 and extended in coverage. It will now apply to all plant, except cars and light trucks, including plant in industries such as transportation and construction that were previously excluded.

But in the search for new revenue, the Government is introducing an immediate export levy on coal of $A6 a tonne for high quality coking coals and $A2 a tonne for other coals. To protect overseas buyers who have recently renegotiated prices, Australian producers will have to carry the new charge. Mr. Hayden said: "No consideration will be given to adjustment of prices to take account of the duty."

Another new tax, effective immediately, levies $A2 a barrel on Australian-produced crude oil, natural liquefied petroleum gas and condensate. It will not be applied directly to natural gas or refinery products although it is bound to affect their prices. The main burden will again fall on producers and the Government made no attempt to hazard a guess at the final effect for the consumer on products like petrol and home heating oil. The oil levy is estimated to yield $A280m. and the coals levy $A120m. in 1975-76.

Duty on beer is being raised by the equivalent of four cents a ten ounce (standard) glass, to yield $A234m., duty on spirits rises by the equivalent of one cent a tot and differential treatment for brandy (originally to assist local production) is ended, raising an extra $A12m., duty on tobacco and cigarettes is increased by the equivalent of six cents an average packet of 20, with a revenue gain estimated at $A75m.

The Government has chosen to overhaul the personal tax scales rather than adopt tax indexation for which there has been widespread demand since the beginning of de facto wage controls based on increases geared to the cost-of-living index.

The steps in the scale of personal tax rates are reduced from 14 to seven. Marginal rates begin at 20 cents in the dollar on taxable incomes up to $A2,000, rising to 45 cents in the $A10,000-$A15,000 range, 60 cents at $A20,000-$A25,000 and a top rate of 65 cents in the dollar for higher taxable incomes. In practice, however, there will be a rebate of at least $A540 for every taxpayer, meaning that nearly 500,000 people at the lower income levels will pay no tax at all. The main benefit is aimed at the middle income group. A taxpayer with an income of $A15,000 will pay $A235 less.

As a real proportion of GDP, public sector spending will still be greater in the new budget than last financial year, but its growth has been cut back dramatically. Last year, government spending jumped 46 per cent. to account for 30.5 per cent. of GDP, compared with about 25 per cent. over the preceding decade. For 1975-76, the growth is halved to 23 per cent.

Australia has sold an additional 250,000 tonnes of wheat to the Soviet Union, Wheat Board chairman Mr. J. P. Cass announced to-day. It follows the sale of 750,000 tonnes announced in July. Depending on the classes of wheat made available, the value of the two contracts could exceed $A130m. (£79m.), Mr. Cass said. Reuter.

PLO 'will accept Mideast pact'

BY MICHAEL TINGAY

THE PALESTINE Liberation Organisation (PLO), will be able to accept the forthcoming interim arrangements between Egypt and Israel, if and when they are completed, so long as the withdrawal remains within the context of a military disengagement. This was learned in Cairo from sources close to the PLO executive committee.

This contrasts with the militantly anti-American statement put out after the meeting in Damascus last week-end, which warned against a United States political "conspiracy" in the Middle East.

The PLO is not against Egypt or Syria regaining any of their territory, the source said. "But if the next stage military disengagement turns out to be a political settlement then we are very concerned."

Egypt has always insisted that the interim settlement to be negotiated by U.S. Secretary of State Dr. Henry Kissinger when he arrives in Alexandria on Friday is simply another military disengagement, as were the January 1974 arrangements.

The source made it clear that the PLO position was discussed and agreed on in Damascus, an indication that the moderates held the day in spite of increasing pressure from other wings of the PLO. The source denied that Yasser Arafat, the PLO leader, was in danger of losing his position.

The fear in Egyptian circles, not to mention in the West, is that Yasser Arafat could be squeezed into an untenable position by his acceptance of Egyptian flexibility, and the extremist wing could take over.

In a separate development in Cairo, To-day's papers reported the dismissal of Egypt's Information Minister, Dr. Kamel Abul Magd, and his replacement by Mr. Yussef El Sibai, who retains the post of Minister of Culture.

L. Daniel reports from Jerusalem: Israel wants to see the Sinai peninsula turned into a demilitarised zone, as a means of reducing the danger of a new war after the second interim agreement with Egypt has been concluded, Israeli Defence Minister Shimon Peres stated to-day while touring the Golan Heights.

He expressed the hope that the moderate elements in Egypt will outweigh those circles there still interested in a renewal of hostility.

Mobutu urges OAU economic summit

By Reginald Dale

KINSHASA, August 19.

PRESIDENT MOBUTU of Zaire has called for an African summit conference devoted entirely to economic problems to take place as soon as possible. The Organisation of African Unity, he said here, should not concentrate exclusively on divisive political issues at a time of world economic crisis.

Opening the fourth Assembly of the Association of African Central Banks here yesterday, President Mobutu also proposed a new charter leading to Africa-wide economic unity and currency stability. African countries should stop thinking in terms of dollars, pounds and French francs, and concentrate on organising convertibility between their own currencies, he urged.

As a first step, President Mobutu announced that Zaire has decided to start accepting the currencies of other African countries in settlement of trade balances. Immediate studies would now be undertaken to see how this could be organised in practice, he said.

The economies of each African country should not be planned separately but on a continental basis, he continued. If each single country wanted its own shipping and airlines, for example, they would all make a loss, he suggested. He regretted the lack of trade between African countries.

The countries of Africa should protect themselves against the "savage liberalism" of international trade as presently conducted, the President argued. Measures should be taken to stabilise receipts from commodity exports and increase the price of raw materials.

POLITICS IN MALAYSIA

Sabah's threat of secession

BY WONG SULONG, IN KOTA KINABALU

TUN MUSTAPHA has got his message through: he is a born fighter, and he will fight with every means at his disposal to remain as the boss of Sabah, the oil- and timber-rich East Malaysian state. In fact, given the right conditions, Tun Mustapha will even fight to be the boss of the whole of Malaysia, or become absolute ruler of a new nation, which he has threatened to bring about.

In the past month, the 57-year-old Chief Minister has displayed the best fighting spirit and tenacity befitting of his Suluk race, as he quietly and swiftly outmanoeuvred his opponents in the Berjaya party, who, with the connivance of the Federal Government, had tried to topple him while he was overseas.

With native shrewdness, he refused to take on his opponents' challenge in a general election, to answer their charges of corruption, despotism and secession against him, but instead retreated to the 38-man State legislative assembly where he retains overwhelming control.

From this bastion, Tun Mustapha is unshakeable. Last week, he ordered a special one-day session of the assembly, where he flatly denied all the charges against him, and, for psychological impact, he got the assembly to give him a massive vote of confidence, as well as a censure motion against his long-time arch rival, Tun Fuad (Donald) Stephens, for indulging in political activities unbecoming of a Governor.

Tun Stephens, leader of the Kadazans, the largest racial group in Sabah, resigned as Governor three weeks ago, to take over the leadership of Berjaya.

Immediately after his assembly victory, Mustapha moved to tighten his grip on the men who voted for him. Of the 30 supporting him, 22 were given Government jobs either as ministers, assistant ministers or political secretaries. Two of the remaining eight assemblymen are his brothers, while the other six have their own businesses and timber concessions. Everyone of the 30 therefore has a stake in seeing Tun Mustapha's Government continuing.

With this sort of line-up, even Berjaya leaders admit there is little that can be done within Sabah that can oust Mustapha. The move, if one is to be made, must now come from Kuala Lumpur.

> It is obvious there are a lot of people in Sabah who disagree with the way Mustapha has been dishing out the timber concessions.

The Federal Government can declare a State of Emergency as was done in 1966 to remove Dato Kalong Kingkan as Sarawak's Chief Minister, but in this case, when Tun Mustapha has got a clear majority in the assembly, it is rather late in the day to make such a move—and Mustapha's supporters are careful not to provoke any "incidents" that can justify such a declaration of emergency. Instead, Federal Malaysian officials are hoping that Tun Mustapha will keep the pledge he gave to the Prime Minister, Tun Razak, two weeks ago, that he would resign shortly after the Ramadan (Muslim fasting month) in October.

But one can never be sure of Mustapha's promises, as he has broken not a few when it suited him. Even if he resigns as Chief Minister, he is likely to remain the power behind the throne, and in such a situation, it is even more difficult to attack him directly.

With his position within Sabah secured, Mustapha is likely to go on a quiet offensive against Berjaya, and tighten the economic screws on his opponents and people of doubtful loyalties. Already, two West Malaysian journalists with the pro-Berjaya Daily Express have had their work permits cancelled, and even Tun Stephens, who was born in Sabah, but of an English father, has been told to leave the State. Businessmen with timber concessions and other licences to be renewed, or those hoping to gain much favour, will have to be more forthcoming with their support.

Mustapha has also embarked on a campaign to erode Berjaya's influence in West Malaysia. Apart from sending constant delegations to Kuala Lumpur to plead for Federal neutrality in the Sabah crisis, Mustapha's supporters are also trying to woo the Malays on the mainland by spreading the word that the current conflict is caused by the Chinese and the Kadazans ganging up against the Malays and other native Muslims. Unsigned letters are circulating around West Malaysia praising Mustapha's good work in changing the State's constitution to make Malay the national language, and Islam the official religion.

Viewed in perspective, the present power struggle is an extension of the conflict that erupted in the state some 10 years ago. The issues and personalities involved are very much the same as before, although the roles of the politicians are now reversed.

When he was removed as Chief Minister 10 years ago, Tun Stephens made a poignant statement accounting for his downfall. Timber, he said, was Sabah's biggest economic asset and its biggest political curse, and he fell because he had refused to bow to pressure groups demanding timber concessions.

To-day, timber is the political headache for Tun Mustapha.

The Malaysian Prime Minister and his Federal colleagues may have their own reasons for trying to get rid of Mustapha—the Chief Minister's disrespect for the the King, his refusal to accept the Federal defence portfolio, his authoritarianism, and finally, his threat to secede from Malaysia, undoubtedly convinced Kuala Lumpur that he had gone too far.

The Berjaya leaders may agree with Tun Razak on some of these points, but they also have other less altruistic reasons why Mustapha must go. From the charges and counter-charges that splashed across the pro- and anti-Mustapha papers, it is obvious that there are a lot of people in Sabah who disagree with the way Mustapha has been handing out the timber concessions and other patronage.

For example, the Sabah Foundation, controlled by Mustapha and his political adviser, Syed Kechik, has been given 3,300 square miles of the best timber land, and many local dignitaries are unable to get concessions because the Foundation has been one step ahead of them, or those with concessions are finding that they have to build expensive roads, which will cross over, and benefit, the Foundation's land, if they want to get their timber out.

The tragedy of the present crisis is that Sabah is a very rich state, with a very low level of social and educational development. As a result, a few articulate politicians, Chinese and other businessmen, and a small group of better-educated Sabahans, have benefited from the state's great wealth, while the great majority of Sabahans in the interior are living not very much above the poverty line.

Tehrans's new centre a step nearer

BY ROBERT GRAHAM, MIDDLE EAST CORRESPONDENT

TEHRAN, Aug. 19.

THE SHAH to-day laid the foundation stone for a $3.7bn. urban development which will become the administrative and commercial centre of Tehran. The centre, to be called Shahestan (place of the Shah) Pahlavi, is situated midway between the existing central area of the capital and the residential suburbs in the mountains of north Tehran.

At present the land is completely unused and barren. It covers an area of over two square miles and is believed to be the largest undeveloped urban area in a capital city. The land has been acquired by the municipality of Tehran in over 13,000 individual transactions at a total cost of $1.2bn.

The aim is to bring the various Ministries, embassies and commercial offices into the new centre out of downtown Tehran, so preventing the growing decentralisation within the capital. Eventually the development is expected to house a population of some 50,000 with a total of nearly a quarter of a million entering it each day.

Seychelles team named

BY JAMES BUXTON

THE BRITISH Government has named the three man Commission which is to investigate the electoral system of one of Britain's few remaining colonies, Seychelles in the Indian Ocean. The Commission, which will meet in October in London and go out to Seychelles later in the month, is to report to a constitutional conference to be held next January.

Seychelles is due to get independence by the middle of next year.

The three members of the electoral commission are: Tun Tan Siew Sin, chairman (former Malaysian Minister of Finance); Mr. Harvey Lloyd de Costa, QC (former attorney general of the West Indies); and Sir Leslie Monson (former Deputy Under-Secretary at the Foreign Office).

Angola elections must be postponed—Unita

LUSAKA, August 19.

PLANNED elections in Angola will have to be postponed because of the war being waged there between the three rival liberation movements, a former Minister in the now defunct transitional Government has said here.

In an interview here to-day Jeremiah Chitunda, former Minister of Natural Resources, and leading light in Jonas Savimba's Unita, said that the country's transitional Government collapsed because representatives of the three parties, Unita, MPLA and FNLA, paid more attention to their own affairs rather than to the workings of the Government. He also blamed the Portuguese for failing to hold it together because of internal difficulties.

According to Chitunda, a solution to Angola's problems would be determined by the outcome of the armed conflict between the three movements. He said all hope for a peaceful solution had gone and claimed that Augustino Neto's MPLA had carried out "mass genocide" against Unita — leading to at least 1,000 political murders. By leaving the Government along with Holden Roberto's FNLA, and Unita force was simply responding to MPLA aggression, said Chitunda.

Chitunda is here for talks with the Zambian Government, whose Head of State last week told a mass rally that the Angolan leaders were selfish men who should get away from their "foolish" advisers.

Meanwhile, Zambia's main import-export port at Lobito has been cut off, and over 100,000 tonnes of Zambian-bound cargo is stranded, including 48,000 tonnes of badly needed wheat. Zambia is also preparing for a massive inflow of Angolan refugees, but most are making their way to neighbouring Zaire and Namibia.

● A convoy of some 2,400 vehicles with more than 8,000 Angolan refugees began flooding across the border into South-West Africa (Namibia) last night, officials in Windhoek, the territory's capital, said to-day. Reuter

Kenya 'to buy Northrop jets' on U.S. credit

NAIROBI, Aug. 19.

KENYA HAS been granted a $5m. credit by the United States to buy defence equipment, according to the U.S. embassy here to-day. The agreement, signed earlier this year, provides for the credit to be used for the purchase of any U.S. hardware or on training, an embassy spokesman said. But none of the money has yet been spent, and no specific agreements have been signed for the purchase of arms, he added.

The spokesman refused all other comment, but well-placed diplomatic sources said the Kenyans are negotiating to buy a number of Northrop F-5A jets to boost its very small force of Hawker Hunters.

In the past, Britain has been the traditional supplier of arms to Kenya, and also has a defence pact with its former colony. Kenya is by far the lightest armed country in East Africa. Alarmed by arms build-ups in neighbouring Somalia, Uganda and Tanzania, it last year is understood to have asked Britain for an increase in military hardware, but Britain was not in a position to provide it.

In seeking U.S. assistance, the sources stress, Kenya is not, however, switching over completely to U.S. military equipment, and will continue to receive some supplies from Britain.

"It is more a question of seeking supplies from an available market and is not politically significant," a diplomatic source said. U.S. officials are understood to be anxious not to give the impression that non-aligned Kenya is coming within its sphere of political interest. Reuter

EUROPEAN NEWS

W. German coalition faces test on economic strategy

BY JONATHAN CARR BONN, August 19.

IN SPITE of a positive independent forecast for the development of the economy next year, the West German Government now faces a series of crucial decisions on how growth and financial stability can be safeguarded in the middle and long term. All the signs are that elaboration of a joint strategy here will test to the utmost the co-operative spirit with the coalition of Social Democrats (SPD) and liberal Free Democrats (FDP).

The two sides are meeting to-morrow at the highest level — Chancellor Helmut Schmidt and Finance Minister Hans Apel of the SPD, Foreign Minister Hans-Dietrich Genscher and Economics Minister Hans Friederichs of the FDP. They are also to be joined for their discussions at Herr Schmidt's holiday retreat in North Germany by Dr. Karl Klassen, president of the Bundesbank.

The meeting was first arranged between Herr Schmidt and his Financial Ministers to consider the latest report on the economic sitaution prepared for the limited measures to boost the economy due at the end of this month, and for the supplementary budget to be presented in September.

All these issues will still be on the agenda, but the presence of Herr Genscher, chairman of the FDP, makes plain that fundamental policy matters directly affecting party interests will be under discussion, too.

The new report — just presented by the Government's independent Economic Advisory Council — will make pleasing reading, since it believes that a 6 per cent. economic growth rate in real terms is possible next year (against a rate of minus 3 per cent. in this) accompanied by a rise of only between 4 and 5 per cent. in consumer prices.

However, the report makes clear that achievement of such results depends on a number of factors all developing satisfactorily, among them a revival of foreign demand and conclusion of reasonable wage settlements at home. It also makes the point, repeatedly stressed in the last fortnight by the FDP in general and by Herr Friderichs *in particular, that as well as* short-term economic measures, middle term problems, especially in the tax field, must be tackled to increase the investment propensity of the private sector.

Herr Friderichs notes that real investment between 1970 and 1974 rose on average by only 2 per cent. a year. In his view this must rise to an annual rate of 6 per cent. if national growth is to be sufficient to guarantee a high level of employment. He and his party colleagues have therefore been drumming away on the urgent need to diminish the tax burdens on companies, prevent a further increase in State expenditure as a proportion of GNP, and not least to try to ensure that the Government is not competing for credit with the private sector in the capital market.

The SPD—in particular Herr Schmidt and Herr Apel—have long been stressing the need for savings. But an independent report just received by the *Finance Ministry* shows action must go much further to be truly effective. It names a series of fields where the axe should fall, including education, health, *and development aid—all areas* where many in the SPD will abhor, and seek to reject, any reduction.

Beyond this, the FDP is insisting that further coalition reform plans either be shelved or decided along the lines of the FDP's own proposals, which are more favourable to the private sector.

The two partners are thus facing a confrontation not just on economic and financial detail, but on the kind of society they want to see. It is not for the *first time, but now the pressures* produced by recession are greater than ever before.

Bankruptcies rise

BY GUY HAWTIN FRANKFURT, August 19.

A NATURAL by-product of the recession in West Germany has been an alarming increase in the rate of commercial bankruptcies. Figures to the end of May show a 27.3 per cent. rise in involuntary liquidations, compared with the first five months of 1974.

The Verband der Vereine Creditreform reports that in the *first five months of the year there* were 3,769 bankruptcies. In the month of May, however, the rate of increase slowed a little, but the month's score of 707 bankruptcies was still 24.3 per cent. over the level of May 1974.

Bankruptcies in 1974 totalled around the 7,500 mark—almost 30 per cent. above the 1951 level of 5,802, which until then had been the worst year since the end of the Second World War.

This year's total looks as though it will well exceed the 1974 record. The 1975 monthly average of 755 stands well above the 620 monthly average for the *previous year.*

The worst affected have been, as can be expected, the smaller businesses. The Verband reported that last year firms with one to 200 employees had been particularly hard hit, and the pattern appears to be repeating itself.

Greek junta leaders may face death penalty

By Our Own Correspondent

ATHENS, August 19.

THE PUBLIC Prosecutor in the *trial of 20 ringleaders of the* fallen Greek military junta which ruled Greece for seven years until July last year, to-day demanded guilty verdicts for 18 *of the defendants* who face charges of high treason and insurrection in connection with the 1967 coup.

Prosecutor Constantine Stamatis, who summed up the charges for the prosecution, asked no mitigating circumstances for 16 of the 18. If the court accepts his request the 16 will be sentenced to death.

The two officers for whom he recommended mitigating circumstances were retired Colonel George Constantopoulos and retired Lieutenant-Colonel Evangheios Tsakas who in 1967 were junior officers.

The prosecutor asked for the acquittal of retired Major *General Alexandros Hatzipetros* and retired Brigadier General Constantine Karydas, who, he said, took no part in the preparation and execution of the coup *although they held key positions* during the military rule and supported the junta. The verdict of the court is expected on Thursday.

Prosecutor Stamatis said that the coup was planned and carried out by a small group of officers who should not be associated with the Greek armed forces. "They violated their oath and used the arms which the legal Government entrusted to them, to abolish democratic rule and establish a seven-year dictatorial regime," he said.

Mr. Stamatis named former President George Papadopoulos as the brains behind the coup. He described him as the leader of the triumvirate—made up by Mr. Papadopoulos, former tank commander Stylianos Pattakos, and former intelligence officer Nicholas Makarezos who was in charge of the economic sector of the regime.

The prosecutor said that the coup had been organised by the secret services which had created a climate of political upheaval and a phobia of an imminent communist threat.

The prosecutor said that the military regime had neither the support nor the acceptance of the Greek people. "During the *seven years* that it ruled the country the Greek people resisted the regime. It remained an alien body and stayed in power through violence, threats and terror," he said.

A second public prosecutor, Mr. Spyrdon Kaninias termed the coup as an aggression to abolish civil liberties of the Greek people.

"The defendants were the aggressors against the Greek people. They abolished democracy, disrupted the armed forces and the Government and established a cruel dictatorship," Mr. Kaninias said.

He said that the plotters had used violence and fraud to deceive the armed forces and the Greek people. *"They sent troops* to the royal palace to intimidate then King Constantine and force him to capitulate

Mr. Kaninias said that the trial was not an act of revenge. "The meaning of the trial is a disapproval of those who abolished democratic rule and ignored the Greek people," he said.

"The duty of all of us towards justice and its debt is enormous. I believe the sentence of this court will be a great debt to justice," he concluded.

To-morrow, defence counsel will make final pleas on behalf of the defendants. The accused have already made their pleas. They denied the charges and pleaded not guilty.

OSLO CONFERENCE ON ANTARCTICA

Protecting the frozen south

BY FAY GJESTER, OSLO CORRESPONDENT

ANTARCTICA, the world's coldest and remotest continent, was the subject of an important international conference in Oslo this summer. Some 75 experts *from* the 12 signatory nations of the Antarctic Treaty took nearly a fortnight to review the ways in which they could continue to ensure that essential aims of the *treaty are pursued. These goals* include ensuring that the continent is used for peaceful purposes only, encouraging international co-operation in scientific *research there, and the preserva*tion and conservation of Antarctica's living resources.

These goals were not too hard to achieve during the first years after the pact was signed, in 1959. Antarctica was then mainly of interest to scientists only. The Treaty itself was the result of a major international scientific project—the International Geophysical Year, in 1957-58, when twelve nations engaged in vigorous, co-ordinated scientific research at over 30 stations in *Antarctica.* Subsequently the twelve — Argentina, Australia, Belgium, Chile, France, Japan, New Zealand, Norway, South Africa, Russia, Britain and the U.S.—decided to continue their co-operation and give it a formal framework.

The Antarctic Treaty came into force in June, 1961, initially for a period of 30 years, during which the signatories suspended all territorial claims in the Antarctic area.

Since then six other countries —Denmark, Holland, East Germany, Poland, Czechoslovakia and Rumania—have acceded to it and its 12 signatory members have held regular consultative meetings (normally at two-yearly *intervals) to discuss Antarctic* matters. The Oslo meeting was the eighth of these.

As first, the consultative meetings were concerned almost entirely with implementing the scientific co-operation which the pact was designed to encourage. But world interest was growing in Antarctica as a potential source of wealth, not just as a scientific laboratory, and gradually the agendas of the consultative meetings came to reflect this.

The previous meeting, in Wellington in 1972, raised for the first time the delicate issue of mineral exploration and exploitation in the Antarctic. Delegates voted to recommend to their Governments that the subject be "carefully studied" and put on the agenda of the next consultative meeting.

> Time is indeed short, if international agreement on the Continent's resources is to be reached before it is too late.

At this year's meeting, the issue was actually debated by delegates. *This could explain* why Norway's Edvard Hambro, who chaired the conference, described it as "the most important in the Treaty's 14-year history." No definite *conclusions* were reached—not surprisingly, in view of the widely varying interests of the 12 countries taking part. There was, however, general agreement that some kind of machinery should be set up to regulate mineral exploration and exploitation in the Antarctic the treaty as it now stands makes no provision for this—and that the ecological effects both should be carefully studied before any such projects get under way.

Delegates agreed to recommend to their governments that a special preparatory meeting should be held next year to study the matter "in relation to the treaty," and to report to the *ninth consultative meeting* in London in 1977. They accepted a French invitation to hold the 1976 preparatory meeting in Paris. The recommendation stresses the fact that mineral resource exploration and exploitation could adversely affect not just Antarctica's unique environment but also that of "other ecosystems dependent on the Antarctic environment," and *urges* co-ordinated research into the subject.

Among Antarctica's potentially exploitable assets, the living resources in Antarctic waters may prove as valuable—possibly even more so—than hard-to-get-at oil, coal, gas and metals. On Norway's initiative, the question of Antarctic marine living resources was debated at *the Oslo conference*—also for the first time. As with mineral exploration, the delegates recommended to their governments that a special *preliminary meeting be held on the* subject, to prepare the way for its further discussion at the 1977 conference. Moreover, they urged intensified and co-ordinated re*search into the extent of these* resources and ways of conserving them.

The preliminary meeting is going to be held in the U.S. under the auspices of the Scientific Committee on Antarctic Research (SCAR), a committee of the International Council of Scientific Unions (ICSU).

The whale population of the Antarctic—formerly an important biological resource—has now been almost exterminated by over-exploitation. Still virtually untouched, however, are enormous stocks of krill—a small, shrimp-like creature which some scientists say is the world's largest unexploited protein resource. Biologists *estimate* that about 100m. tons could be taken annually without disturbing the main stock (this compares with a total world marine catch of 67m. tons, in 1973). So far, krill has been harvested only on a small scale —by the Russians, who make it into a kind of shrimp spread, and by the Japanese, who put it into shellfish sauces.

World interest in the new food is growing, however. This autumn, a West German fisheries expedition comprising two ships, and costing some £2m., will sail south to study ways of catching and processing krill. The Norwegian Fisheries Directorate has plans for a similar expedition in 1977.

In a speech opening the Oslo conference, Norwegian Foreign Minister Knut Frydenlund spoke of the problems of controlling technological and industrial advances, and commented "time is not on our side." His comment applies particularly to the Antarctic area. As international law now stands, there is nothing to prevent anyone who can afford it from equipping an expedition and heading south to dig for minerals, or fish for krill on a massive scale, without regard for the ecological or political consequences.

Scientists of the treaty countries are already worried that the growing number of tourists visiting Antarctica may significantly damage bird colonies and plant life, and disturb important geological evidence, in "souvenir hunts."

Even the governments of the treaty powers are not all able, under the terms of their separate legal systems, actually to prevent their own citizens from starting exploration in the Antarctic. Some can only advise their nationals to wait until an *international* agreement is reached. Norway did this last autumn with a small Norwegian company, Antarctex, which had planned to *send an expedition to study* "possible economic activities" in the Antarctic, including mineral exploitation and tourism. The company bowed to the official request. But would, say, Exxon respond to similar pressure from the U.S. State Department, if it felt the time was ripe for a survey expedition? And what if the Chinese should suddenly get interested in Antarctic prospecting? Time is indeed short, if international agreement on Antarctica's resources is to be reached before it is too late.

French 'to boost consumption'

BY ROBERT MAUTHNER PARIS, August 19.

THE REFLATIONARY package due to be adopted by the French Government at the beginning of next month is likely to be more substantial than similar West German measures, details of which were leaked by the Bavarian Economics Minister, Herr Jaumann, yesterday.

Whereas reports from Bonn suggest that the comparatively modest sum of DM5bn. (Frs. 8.5bn.) will be pumped into the German economy—mainly into the building and public works sectors—the latest indications in Paris are that the French package will be nearly double this amount and total about Frs.15bn.

Some Frs.5bn. of this sum is expected to be devoted to stimulating consumption, a step which *the authorities have always* avoided in their previous timid attempts to boost activity, because of the fear of sparking off a new inflationary spiral.

Now that inflation has been brought down to more manageable levels—it is currently running at an annual rate of less than 10 per cent.—the Government would find it very hard indeed to refuse the increasingly strident demands of both unions and employers to reactivate consumption.

The measures currently being examined are understood to include increases in family allowances, easier hire purchase terms, a tax moratorium for the unemployed and higher pensions. Another Frs.5bn. will probably be devoted to encouraging investments, mainly *in infrastructure* projects and low-cost housing, while companies can expect to obtain some kind of tax relief in the form of a more streamlined VAT system, which is likely, however, to fall far short of what the Patronat (employers' federation) has been demanding.

Italians occupy U.K. subsidiary

BY RUPERT CORNWELL ROME, August 19.

IN WHAT could develop into a *major incident,* the *foreign*-controlled George Angus Spa, of Naples, has sent out dismissal notices to its 463 employees, with the workers swiftly responding by occupying the plant with the support of criticism from the local municipality of the "irresponsible and unilateral" behaviour of the parent companies.

According to union officials the men were notified on August 13, just before the traditional Assuncion holiday and that an extraordinary meeting of shareholders had decided to wind up *the company in contradiction of* an agreement at the end of June between unions and management backed by the Italian Government.

The *agreement* guaranteed the survival of George Angus here while stipulating that 123 workers should be given unemployment relief so the company could be restructured.

George Angus specialise in oil seal and fire protection equipment. It is 50 per cent. controlled by George Angus and Company of the U.K., itself a subsidiary of Dunlop Holdings, *and 50 per cent. by a group of* Swiss-based companies.

This somewhat mysterious ownership will do nothing to allay union suspicions of high-handed behaviour by multinationals. Moreover, a closure would only worsen what is already a most severe unemployment problem in Italy. The 4m.-inhabitant Naples area, on top of wretched civil administration, pollution and poverty, already has 135,000 officially unemployed with almost 500,000 more eking out the poorest of livings.

Harkis threaten Algerian lives

BY ROBERT MAUTHNER PARIS, August 19.

FRANCO-ALGERIAN relations, always potentially explosive, are again under strain because of the activities of militant Harkis, former Moslem soldiers and their descendants who fought on the *French side in the Algerian war* of independence and now live in France.

The Harkis are demanding freedom of movement for members *of their families* still in Algeria who have been prevented from joining their relatives in France, and are employing desperate means to make their voices heard.

The latest in a series of incidents ended yesterday when an Algerian official kidnapped by Harkis in southern France was released following the intervention of M. Michel Poniatowski, *the Minister of the Interior.* A Harkis representative has since been received at the Interior Ministry by a member of M. Poniatowski's staff and has promised that no more Algerian hostages will be taken as long as talks between France and Algeria are held on the Harkis' grievances.

To-day, however, Harkis in eastern France, who claimed that a nine-year-old boy and a French Moslem mother and her six children had been prevented from leaving Algeria where they had been on holiday, issued a *threat that they would kill four* Algerians for every Harki or member of a Harki family stopped from leaving Algeria after August 30.

Algerian officials in France, for their part, have emphasized that the question of freedom of movement on Algerian territory was entirely a matter for the Algerian authorities to decide.

Police hold 13 for 'aiding ETA guerillas'

SAN SEBASTIAN, Aug. 19.

THIRTEEN people said to be members of the clandestine Basque nationalist organisation ETA have been arrested on charges of aiding guerillas, a police communique said to-day.

It said the detainees, who include seven women, rented apartments in the Eibar industrial belt near this Basque town for ETA guerillas and collected information on security agents and police informers.

The arrests followed the interrogation of the alleged ETA commander in the Eibar area, Jose Villanueva Lanza, who was detained last week, the communique said.

A long-delayed trial of two alleged ETA guerillas, who face the death penalty before a military court on charges of murdering a policeman, could take place before the end of this month, defence lawyers said to-day. The final written defence conclusions on Jose Antonio Garmendia and his co-defendant Angel Otaegui had to be submitted to-morrow, the lawyers said, and the hearing could take place within the next two weeks.

The two men are accused of shooting a member of the paramilitary Guardia Civil corps in April last year. They were arrested in a gunfight near San Sebastian the following August.

● *The wife of a Spanish* army major, detained with eight other officers for alleged sedition last month, was to-day quoted in a Madrid newspaper as saying she wanted a public trial for her husband.

● Right-wing groups painted anti-Communist slogans and threw petrol bombs at the offices of a liberal Barcelona newspaper and a bookshop dealing in Leftist books early to-day but caused little damage, police sources said. Reuter

● General Francisco Franco met to-day again with his heir, Prince Juan Carlos de Bourbon, who flew to the 82-year-old General's holiday retreat for a surprise visit sparking speculation that Franco was preparing to hand over power.
UPI

Norway's first-half deficit four times 1974 figure

BY FAY GJESTER OSLO, August 19.

NORWAY'S payments deficit in the first half of 1975 was a record Kr.8.4bn.—four times the figure for the same period last year and higher than the country has ever had for a full-year period, reports the Central Bureau of Statistics. Exports and shipping earnings have been falling this year, while imports have risen steeply.

The Government has been willing to run a high payments deficit, in order to help maintain domestic economic activity during the current international recession. Since the country's credit rating abroad is good, thanks to the prospects of future off-shore petroleum revenues, financing the deficit is causing no problems. A number of major Norwegian companies have raised substantial loans abroad this year—some with State guarantees—and the State itself has borrowed abroad for *the first time since* 1965.

Luckily for Norway, the kind of loans it needs—medium-term, until oil revenues begin flowing in large amounts—are just the kind that foreign lenders are prepared to offer at the moment.

Dutch economy 'not affected' by cuts in tax

By Michael Van Os

AMSTERDAM, August 19.

THE DUTCH Central Plan Bureau has said that the effects on the national economy of the recent income tax cuts have been virtually nil due to the Dutch *public's great appetite for saving.* The reason was that the public was "rather pessimistic" about the economic prospects and it tended to postpone purchases of durable consumer goods, thus helping to impair the economic recovery.

Professor J. Weitenberg of the bureau said in an interview that *the recent tax measures* were supposed to have added about Fl.840m. to the public's purchasing power in the nine-month period from April 1. "But this *has not landed in the shops,* as was hoped." He said that if confidence did return the situation could improve rather quickly, however.

Denmark sees improvement in payments

By Hilary Barnes

COPENHAGEN, August 19.

DENMARK'S current balance of payments for the first half-year showed a deficit of Kr.435m. compared with a deficit in the period last year of more than Kr.5bn. The second quarter current account was in surplus at Kr.205m. compared with a second-quarter deficit last year of Kr.1.96bn.

A 12 per cent. fall in imports at the same time as exports rose by 6 per cent. is the main explanation for the improvement.

Belgium and Luxembourg deficit grows

BRUSSELS, Aug. 19.

THE BELGIUM - Luxembourg economic union trade deficit rose to a *provisional* 5.036bn. Belgian francs in June from a revised 2.279bn. in May but was lower than the 7.536bn. deficit in June 1974, the National Statistics Institute reported.

Exports rose to a provisional 87.615bn. francs in June from 82.861bn. in May but were below the 92.870bn. in June 1974, the institute said. Imports were 92.651bn. (85.140bn. and 100.406bn.).
Reuter.

STANDARDS FOR JAMS IN EEC

By A Correspondent

BRUSSELS, August 19.

THE Common Market Commission to-day proposed minimum standards for fruit jams, jellies and marmalades to permit free trade in the products among EEC member states.

The proposal is likely to be accepted because it follows the lines recently agreed by member states for international standards in these products.

Baader trial reopens

STUTTGART, August 19.

THE BAADER-Meinhof trial reopened here to-day after a 10-day adjournment with the four *defendants first removed from* the courtroom, then forcefully dragged back and finally excluded.

The charges against the four—Ulrike Meinhof, Andreas Baader, Gudrun Ewsslin and Jan-Carl Raspe—include the murder of a policeman and attempted murder of several other policemen, numerous bank robberies, a bomb attack on a Federal Supreme Court judge and the killing of several soldiers through bomb attacks on U.S. Army installations in Germany.

They were arrested in summer 1972 after being hunted for two years, and spent three years in pre-trial detention.

The trial opened with a propaganda fanfare in a specially-built windowless building near Stammheim Prison on May 21. In 25 court sessions since then, defence lawyers had successfully prevented the Government beginning its case

In to-day's session, the defence lawyers continued their stalling tactics. They withdrew from the courtroom, after announcing they would stay out until presiding Judge Theodor Prinzing let them bring in yet another psychiatric study which they claim proves their clients are too ill to stand trial. The four defendants withdrew on the same grounds, but *Prinzing decided to go ahead* with the trial.
Agencies

Swedish Liberal resigns

BY JOHN WALKER STOCKHOLM, August 19.

MR. GUNNAR Helen, leader of the Swedish Liberal Party, announced to-day that he was resigning the leadership of the party. He has been its leader since 1969 when the Liberals held *more than 16 per cent. of* the vote. But since the 1970 election the Liberal Party has consistently lost ground, dropping to 9.4 per cent. of the vote in the 1973 general election when their representation was slashed from 58 to 35 seats. According to a recent poll the party is now down to around six per cent.

It was hoped that the 1973 general election would give the three opposition parties — the Conservatives, the Liberals and the Centre Party — a majority in the newly formed 350-seat Parliament. But, as events turned out, there was a stalemate with the three opposition parties having a combined total of 175 seats against 175 seats for the Social Democrats aided by the Communists. The next general election is to be held in September next year.

It is thought that Mr. Helen has lost touch with the grass roots of the party and that this has been one of the major causes of the Liberal Party troubles. There have also been fears in some quarters that he was leaning too much towards the Socialist camp.

U.S. gives warning... as Soviets call for solidarity with Lisbon's Communists

MINNEAPOLIS, August 19.

U.S. President Gerald Ford warned the Soviet Union to day that détente "isn't a license to fish in troubled waters" and said he will seek additional strategic weapons if there is no new agreement on limiting nuclear arms.

The President told the American Legion's national convention that the U.S. is keeping a wary eye on the Soviet Union, especially in Portugal, to determine its true intentions on détente.

In the prepared text for his Legion address, Mr. Ford said: "We are now carefully watching some serious situations for indications of the Soviet attitude towards détente and co-operation in European security.

"The situation in Portugal is one of these," Mr. Ford said. "We are deeply concerned about the future of freedom in Portugal."

The President said that in Portugal, where Communists are exerting a strong influence in the Government, "The wishes of a moderate majority *have been subverted by forces* more determined than representative.

"We are hopeful that the sheer weight of numbers—the 80 per cent. of *the Portuguese* people who support the democratic process—will prevail in this conflict of ideologies."

Mr. Ford also said the U.S. is watching *to see if the Soviet* Union will honour individual rights and human freedoms that were implicit in the declaration at the recent European security summit conference in Helsinki.
AP-DJ

MOSCOW, August 19.

THE SOVIET Union to-day called for "massive solidarity" with Portugal's Communists and condemned what it said was gross interference in the nation's affairs by Nato, Western Socialist parties, China and the Western Press.

The call came in the most authoritative Soviet analysis to date of the Portuguese crisis, in the form of an article in the Communist party organ Pravda signed "Observer," and the hall*mark of comment* from the very highest level.

Pravda pledged the Soviet people's respect for the right of the Portuguese to decide their *own fate, and added:* "At the present time it is extremely important to show massive solidarity with those political forces in Portugal which are waging a *persistent and difficult struggle* against attacks from reactionary elements inside and outside the country, and to support the Communists of the country."

With its strong counter-charges of Western interference, the Pravda comment was seen here as an implicit reply to warnings from U.S. leaders to the Soviet Union to keep out of Portugal's internal affairs. Last week U.S. Secretary of State Henry Kissinger said that Moscow "should not assume that it has the option, either directly or indirectly, to influence events contrary to the right of the Portuguese people to determine their own future."

To-day, Pravda's "Observer" said it was no secret to anyone that "international reaction from the very first days of the Portuguese revolution began to interfere in the internal affairs of the country."

Singling out Portugal's Socialists, the article said the party's leaders with their allies in the People's Democratic Party had "set themselves the goal of splitting the alliance of the people and the army and shaking the close unity in the ranks of the Armed Forces Movement.

"Whether they wish it or not, the leaders of the Portuguese Socialist Party, who have raised the flag of anti-Communism and declared open war on the genuinely progressive forces, rally all the reactionary forces of Portugal . . ."

Such forces included "those who recently tyrannised the Communists, the Socialists and other democratic patriots and would like to continue doing this in the future."

The article said the Socialist Party expected "organised support from the outside, from Nato circles.

"The international reaction started from the first days of the Portuguese revolution to interfere in domestic affairs and try to turn the development of political events in the direction they wished.

"The leaders of the military and political mechanism of the North Atlantic bloc grossly attacked Portugal."

Nato military exercises twice held in Portuguese waters and territory were seen as a clumsy attempt to put pressure on Portugal. "Two levers for pressuring were used against the Portuguese democrats. These followed the customary scheme of economic sabotage and organisation of noisy anti-Portuguese, and, for good measure, anti-Communist campaigns in the monopoly press."

The article said the Portuguese should settle their own troubles but that outside pressure appeared to have been co-ordinated on an international scale.

"It is no accident that, parallel with the aggravation of the political situation within Portugal, the Imperialist forces and their Peking allies are trying to unleash a civil war in Angola by striking at the most militant and popularly recognised anti-colonial force—the Popular Movement for the Liberation of Angola.

"No wonder that secessionist groups have come to life in the Azores islands, where a U.S. base is sited," the article said. "In the last few days, Peking started direct attacks against the Portuguese Communists and Democrats.

"It is now most important to show massive solidarity with the political forces who are waging a persistent and difficult struggle against attacks from the reactionary elements inside and outside the country."
Reuter

Hague clerk recalled by Russia

THE HAGUE, August 19.

THE SOVIET Union has recalled one of its embassy personnel here after complaints by the Dutch Government about his activities, the Dutch *Foreign Ministry announced* to-day.

The Ministry issued the statement after Dutch newspaper reports that Mr. Andrei Kisseleff, *a clerk in the military* attache's office, had tried to gain classified information from senior Dutch officials on Nato affairs.

The brief statement said the Dutch Government had complained about Mr. Kisseleff's "approach in a number of cases" and that the Soviet Government had taken the decision to recall him.
Reuter

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HOME NEWS

Bid to reverse Labour Party's 'dangerous trend'

BY RICHARD EVANS, LOBBY CORRESPONDENT

A CLAIM that about 20 moderate Labour MPs are under threat from Left-wing activists has been made by the Social Democratic Alliance, a pressure group set up following the dispute between Mr. Reg Prentice and his local constituency party at Newham North-East.

The group's first newsletter argues that, if the trend to oust moderate MPs succeeded, it would destroy the Labour Party's future electoral prospects. "Our supporters will not vote for a party which adopts an extreme-Left-wing programme and displays such blatant intolerance."

The newsletter declares that following the "disgraceful activities" in Newham N.E. which had resulted in Mr. Prentice being disowned "despite his loyalty to the Labour Party," it is time for the party to take stock of what is happening within it.

The problem was not a failure of communication as had been suggested, it was a far more dangerous trend. "There are within the party a number of groups threatening to destroy the party as at present constituted. The SDA existed "to try to prevent the kind of nonsense that happened at Newham N.E. and to reverse the trend towards the Left on the National Executive Council."

An example of the changing composition on the NEC is the case of Mr. John Cartwright, the moderate MP who has represented Co-operative organisations for the last few years. This year his nominating organisation, the Royal Arsenal Co-operative Society, nominated in his place its political committee secretary, Mr. Richard Balfe. The SDA claims that Mr. Cartwright has been ditched by "the votes of Communist Party members and fellow travellers."

The newsletter announces that the first major public meeting to reverse the decision last month to replace Mr. Prentice as MP at the next election will take place in Newham on September 11. Among the speakers will be Mr. Roy Jenkins, Mrs. Shirley Williams and Mr. Prentice.

Crest sells 5% stake in Ashbourne

By Stewart Fleming

CREST International Securities has ignored a Takeover Panel request that it should not reduce its 12 per cent. stake in Ashbourne Investments, and has sold 5 per cent. of the Ashbourne equity to an unnamed purchaser.

A Crest spokesman said yesterday that the company had sold 471,000 shares in Ashbourne at a net price of 10p a share, which he said compared with a purchase price of 50p.

He added that before the sale, Crest had asked the Takeover Panel to approve the deal. The Panel executive, however, said the proposal would have to be considered by the full Panel, but Crest said it could not wait for this.

It is understood that the full Panel will be meeting shortly to consider this latest development in the bid situation surrounding Ashbourne Investments.

The Crest spokesman said that as a result of the sale, Crest and its associates now had less than 30 per cent. of the Ashbourne equity, if it is accepted (as Crest claims) that Crest is no longer acting in concert with Corporate Guarantee Trust. Crest would therefore be arguing that it should not be required to bid for Ashbourne, the spokesman added. He confirmed, however, that Crest would not be withdrawing its requisition for an extraordinary meeting of Ashbourne.

Ashbourne Investments said yesterday it would be sending out notices convening the EGM for September 5.

Pubs plan Babycham ban in prices row

BY KENNETH GOODING

A BOYCOTT on Babycham, the sparkling perry drink droduced by Showerings, is threatened by publicans throughout the country. They are protesting about a new advertising campaign for the product which mentions a recommended price for Babycham in pubs of 18p, compared with up to 30p some licensees are now charging.

The publicans see the campaign as a move by Showerings, an Allied Breweries subsidiary, to dictate the price at which the drink should be sold.

Mr. John King., president of the National Federation of Licensed Victuallers, which has about 40,000 members, described the Babycham campaign as "a totally unwarranted interference." He added: "This campaign is something I do not intend to tolerate. Retail price maintenance was abolished some years ago and I have no intention of allowing this company to reinstate it."

The London central Board of the federation has sent a telegram to Showerings deprecating its intention to state a recommended price. Both the NFLV and LCB say that individual members will be refusing to stock Babycham in future if the advertising campaign is not changed.

Showerings apparently decided to include a recommended price in its new Babycham advertising because of complaints received from consumers about the high price some publicans are charging for the product.

Mr. J. D. Winther, a Showerings director, commented: "The advertisement was specifically designed to increase profitable trade for the benefit of licensees as well as ourselves.

"Furthermore, it clearly acknowledges that tenant licensees, being independent businessmen, have the right to fix the amount of surcharge without limitation according to their own individual judgment."

'Brainwave' wins £1,000

A SOUTH WALES steelworker has been awarded a prize of £1,000 by his company for a brainwave that is saving it "big sums" in raw material costs.

Mr. George Sheward, 43, of Fairwater, Cardiff, is a quality control inspector at the Tremorfa, Cardiff, nail factory of GKN (South Wales).

His award, made under the company suggestions scheme, is the biggest announced by GKN (South Wales) and is also thought to be the largest cash sum won by an employee in the GKN group, containing more than 200 companies.

Details of the suggestion that led to the award are being kept secret—for "commercial reasons." But in broad terms, the company says, it concerns materials reclamation and recycling in a surface finishing process.

Mr. George Levy in his St. James's Street, London, office last night.

Art dealers to discuss fighting 10% buyers' premium plan

BY MICHAEL THOMPSON-NOEL

WHAT AMOUNTS to a "war council" of Britain's top art dealers will be held in London to-morrow night, to discuss Sotheby's and Christie's controversial decision to introduce a buyer's premium of 10 per cent. on all art sales when the new London season opens next month.

Mr. George Levy, president of the British Antique Dealers Association, said last night: "The move has aroused tremendous feeling among dealers, many of whom say they will refuse to pay these charges."

To-morrow's meeting will be attended by representatives of BADA, the Society of London Art Dealers, the Antiquarian Booksellers Association and the London and Provincial Art Dealers Association.

Until recently, Sotheby's and Christie's operated a sliding scale of vendor's commissions but there was no charge to buyers. Recent stiff cost increases, however, had prompted them to abandon this policy, they said.

Their plan for the new season is to cut commission charged to sellers to a flat 10 per cent., and to introduce a charge to buyers.

Dealers' hostility to the scheme is based on their belief that the move will endanger London's position as the focal point of the world art market. Some also maintain that they are being asked, in effect, to subsidise the auction houses' increased costs.

Sotheby's and Christie's said last night there were no plans to re-examine the new rates. Two weeks ago, Sotheby Parke Bernet reported a 16.8 per cent. fall in turnover for last season to £75.1m. Turnover at Christie's fell 21.8 per cent. to £33.7m.

On present turnover trends, Christie's has calculated that cutting the seller's charge to a flat 10 per cent. will cost it about £200,000-£250,000, but that the introduction of a 10 per cent. buyer's premium will bring in £1.25m.

Liberal plan to strengthen rank-and-file voice

BY RICHARD EVANS

A MOVE TO give rank-and-file Liberals a more effective say in the election of their leader will be made at the party's assembly at Scarborough next month.

During a special business session delegates will consider a new proposal to determine the leader. The scheme has been drawn up by the 13 Liberal MPs and accepted for debate by the party's executive.

The main purpose is to ensure that in future "all recognised units" in the party should be given an opportunity to state their preference before MPs make the choice by ballot.

The memorandum, to be discussed at Scarborough on September 18, stresses that the leader of the party should be an MP but it warns that "the party in the country cannot be expected to accept the leader as someone chosen exclusively by the presently small number of MPs."

Instead, it is proposed that before election takes place all party organisations should make their views known to the executive who will publish them before the vote is taken by MPs.

Once the election is completed a special one delegate meeting would be called at which the new leader would submit himself for aproval. It would be possible to reject the MPs' choice.

The debate, which takes place late in the evening, will provide a platform for party critics of Mr. Jeremy Thorpe who is now recuperating from a virus infection. Although there has been criticism of the party leadership following the electoral losses last year, Mr. Thorpe appears to be in no real danger from his opponents.

RHP puts 250 on short week

BY KENNETH GOODING, INDUSTRIAL CORRESPONDENT

BRITAIN'S BIGGEST bearings manufacturer, Ransome Hoffmann Pollard, has put 250 employees at its Northampton plant on a four-day week because of a lack of demand from the U.S. motor manufacturers.

Mr. Bill Barlow, chairman and chief executive, however, stressed last night: "The remainder of RHP will stay on full-time working because demand from the home market has been quite solid and the efforts we have been making to develop overseas markets are paying off just at the right time."

In fact, the main automotive bearings plant at Annfield Plain, Co. Durham, has recently increased production slightly to cope with new European business.

The problem at Northampton is that one-third of the plant's output of bearings for car water pumps goes to the U.S. The cuts in production by the American motor manufacturers, followed by the summer closedown, has made it necessary for RHP to take action.

Mr. Barlow pointed out: "We have been promised further orders for the autumn and held off for as long as possible in cutting production because we knew it would make other parts of the group uneasy."

Demand for Northampton's bearings from the U.K. and Europe has held up well, he added.

● Pye Unicam is to make 120 white-collar workers redundant at its factory in Cambridge. The company said yesterday: "We have suffered considerably from the depressed market conditions and orders are well below our forecast." The company employs over 1,200 workers making analytical instruments.

Avis going ahead with U.K. car parks scheme

FINANCIAL TIMES REPORTER

AVIS, the car rental group, is planning to go ahead with its scheme to chip into National Car Parks' virtual monopoly of major parking centres in the country, according to Mr. Roy Foster, Avis managing director in the U.K.

NCP, which nearly became the subject of a Monopolies Commission report in 1970, probably has "several thousand" sites, an Avis spokesman says. Avis will have nothing like this in the foreseeable future. The target for the first five years is 200 centres.

At this level, Avis will hardly make a dent in NCP's market, which, according to one source, "must amount to over 80 per cent. of the total."

The Avis plan is to ease itself in slowly and benefit from lessons learned in Canada where, Mr. Foster claims, the company is one of the major operators.

So far, the company is operating two small sites, but it is about to open five new centres. One of these is projected for London's Russell Square, two are intended for Birmingham, and two for Reading.

Mr. Foster feels that branching out into car parks is a logical extension for the company, and adds: "If we are going to rent cars to people it makes sense for us also to supply a place to put them."

However, car parking activities will contribute a negligible amount to turnover in the initial phase. "Less than 5 per cent. in the first five years."

Avis concedes that marketing will be difficult, and that its established flair for publicity will not necessarily bring quick results in car parks, where the name of the manager of a site is relatively unimportant.

Avis has flourished in its car renting activities through an advertising campaign which has said that because the company is "Number Two," it tries harder.

Imports of Hong Kong shirts rise 45%

FINANCIAL TIMES REPORTER

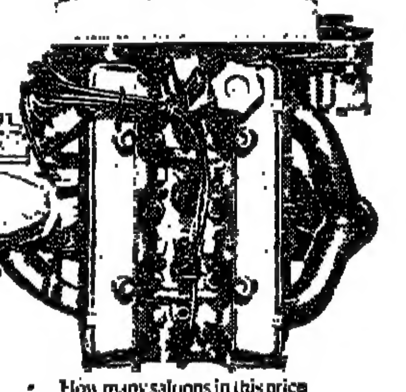
IMPORTS OF shirts into the U.K. from Hong Kong rose by 45 per cent. in the first six months of 1975, and could be up over the year as a whole by some 54 per cent. under new quota arrangements recently agreed with the EEC.

This was claimed yesterday by Mr. Keith Pullum, chairman of the Shirt Manufacturers' Federation, who said a recent survey had shown that two-thirds of the federation's members planned to reduce capital expenditure on buildings with nearly half cutting down on new plant and machinery.

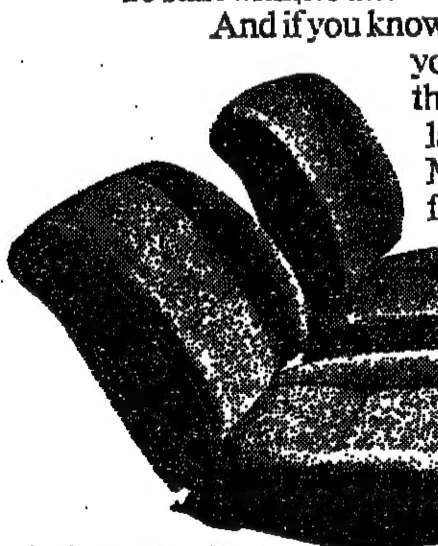
"The Government will have to make up its mind whether it wants the British shirt industry to survive or whether it is prepared to hand the market over to the low-cost producing countries.

● A party of 50 workers from the Aberbargoed, South Wales, factory of N. Corah travelled to Leicester yesterday to protest against the company's decision to close the factory. About 350 people will lose their jobs.

Why settle for 4 when we give you 5?



How many saloons in this price range give you a twin overhead cam engine?



The best way to appreciate ours is to sit in theirs.

Demand for managerial staff falling—MSL

BY ROY LEVINE

FURTHER POINTERS to rising unemployment and falling demand for managerial and professional staff have come from the MSL Group, an executive employment agency, whose index of recruitment advertising has dropped below the base mark of 100 established in 1959, and from the Government's Employment Services Agency.

Advertisements for executive staff in six national daily or weekly publications fell to below the level of 1959 last month. In its report for the second quarter of 1975, released yesterday, MSL shows that the index dropped a full eight points from 111 to 103.

This figure was the lowest reported since mid-1972 and reflects a reduction in executive recruitment advertising of almost 35 per cent. from the level in mid-1973 when the index stood at 158.

The index was below the 100 mark for most of 1971 and before that it last touched the 100 level at the end of 1966.

The total number of index appointments advertised during the second quarter was 5,494, nearly 2,000 down on the corresponding figure for 1974. This reflects the lack of confidence in business and the unwillingness to commit resources to an uncertain future, comments MSL.

The graph of the index, adds the consultants, is becoming more reminiscent of the 1971 recessionary period when the index finally bottomed out at 78, the lowest figure over the last 10 years.

Production

"If the previous pattern is now to be repeated, then we must expect a further fall in the index during the third quarter of this year, with little anticipation of recovery until the turn of 1975-1976."

The worst drop over the quarter was for production staff which fell by 22 per cent. followed by a drop of 18 per cent. in research, development and design staffs.

There was some recovery in the demand for sales staff although the level of demand is still over 50 per cent. below second quarter 1973 figures. The most stable sectors are in financial and accounting staffs and computer personnel.

In compiling its index, MSL eliminates advertisements which appear in more than one of the six journals monitored as well as advertisements for postings abroad. According to Mr. Harry Roff, chairman of MSL, there is a significant increase in advertisements for U.K. executives to work abroad.

Commenting on the MSL index, Mr. Dewi Rees, deputy chief executive of the Employment Services Agency, said the unemployment position was getting worse—in July alone, some 23,500 new candidates were put on the books of the Professional and Executive Register (PER)—twice the monthly norm.

Boost for Oxfam waste plan

BY KENNETH GOODING, INDUSTRIAL CORRESPONDENT

THE WASTE-RECLAMATION project by Oxfam at Kirklees, Huddersfield, has received a significant boost now that Redfearn National Glass has signed an exclusive contract to take the bottles and jars collected.

The Kirklees project is also to get support from the Glass Manufacturers' Federation, which will make two collection vehicles available, with other equipment, worth about £10,000 in all.

Oxfam estimates it will cost £90,000 to set up the scheme, which is designed to generate a turnover of £250,000 a year in all types of waste.

The project is backed by a £5,000 Government research grant, because the Department of Industry sees it as an ideal opportunity to get some idea of just how far the average householder will go towards sorting waste before disposing of it.

Oxfam has received a £10,000 "no-strings" gift toward the scheme from paper merchants J. and J. Maybank, as well as signing a contract with Maybank for paper recovered. Batchelor Robinson has contracted to take tinplate. Several other contracts are being negotiated, notably for aluminium and plastics

Oxfam is running the pilot scheme, covering 60 households, from an old cottonmill in Milford Street, Kirklees. This wil be extended to 6,000 homes next month, and eventually, by the end of 1976, some 30,000 should be covered.

The contract with Redfearn, third largest of the U.K. glass-container manufacturers, is of more value to Oxfam's scheme than to the glass company. Oxfam estimates it will collect 500 tonnes a year of waste glass (or cullet) and Redfearn will pay at least the going market price for it. The current price is between £5 and £8.50 a tonne.

The 500 tonnes a year of cullet from the project compares with the 250 tonnes a day which Redfearn could use.

Terry Kirk

Latest arrival for the Clipper Race Regatta to be held on the Thames all next week is the old French gaff-rigged cutter Jolie Brise. Designed by Paumelle on a 48-foot waterline, she won the first race round the Fastnet rock off Southern Ireland in 1925. And she came back to win again in 1929 and 1930.

As well as a guest for the Clipper Week she will also be joining in the celebrations for the 50th anniversary of the Royal Ocean Racing Club. She is pictured here with her skipper, Antonio Guimaraes Lobato, being welcomed by the director of St. Katharine's yacht haven, Robin Knox-Johnston (left).

The round-the-world yachtsman will have his own boat Suhaili in the marina along with the 70-foot catamaran British Challenger which, as British Oxygen, was first home in the Observer Round Britain race last year. It is in British Challenger he hopes to beat the record single-day distance of 465 miles set up by the American-designed Clipper Champion of the Seas on December 11-12, 1854.

Operating theatres for sale

Financial Times Reporter

A BRITISH inspired company based in the U.S. is offering a £30,000 "package deal" operating theatre to private nursing homes and hospitals to boost the expansion of private medicine in Britain.

It is the brainchild of Dr. John Pollard, a National Health Service consultant anaesthetist with the North East Manchester area health authority, who said that advice on staffing needed for post-operative care and back-up equipment was also provided in the deal.

Dr. Pollard has already supplied three of the "instant" theatres to NHS hospitals for use while new operating theatres are being built.

The first of the units to be used privately in Britain has been working for more than three months at Stockport's Dalreagh nursing home "without a hitch," according to Mr. Derek Bottomley, who runs the home and is an associate of the "instant" theatre company, International Medical Services.

"Instant" theatres can be ready for use in three months, compared with a year or more needed to build a conventional theatre which would probably cost £100,000.

Early farm machinery for auction next month

BY MICHAEL THOMPSON-NOEL

THE ever-expanding boundaries of the fine art market will be pushed to new extremes at an auction in Somerset on September 4 when a large collection of "Early Agricultural Machinery and Equipment, Rural Bygones and Antiques, a Steam Traction Engine and Collectors' Cars" comes under the hammer.

The collection has ben formed over the past 20 years by Mr. William Palmer, a Somerset garage proprietor, and is to be auctioned by T. R. G. Lawrence and Son (Fine Art) of Crewkerne, Somerset.

The star attraction is likely to be a steam traction engine named Thalia, built by the company of John Fowler and Company, of Leeds, about 1912, which could fetch £5,000-£8,000.

DIY paint sales boosted

BY RAY DAFTER

THE BUOYANT do-it-yourself paint sector helped to boost decorative paint sales in the first six months of this year. According to the Paint Makers' Association sales were 26.4 per cent. higher than the same period of 1974 although volume sales grew by only 2.8 per cent.

Association figures, covering about 80 per cent. of the market, show that sales of decorative paint totalled £73m. in the first half of this year as against £58m. for the same period last year and £124m. for 1974 as a whole.

In terms of volume, sales of companies making returns to the association, reached 111m. litres against 108m. litres in the first half of 1974 and 315m. litres for the year as a whole.

All the growth is attributed to the retail sector which, ironically, is being helped by growing unemployment

On the other hand the professional sector, made up of 80 per cent. maintenance work and 20 per cent. new work, remains depressed

Summonses against two film men fail

MR. RAYMOND Blackburn ex-MP and campaigner aaginst pornography was referred to as "private director of public prosecutions" by Mr. Jeremy Hutchinson, QC, at Bow Street yesterday when he asked for costs for his clients Lord Harlech and Mr. Stephen Murphy who were discharged after the hearing of private prosecutions brought by Mr. Blackburn.

Classic Cinemas, third defendant in the case, were committed for trial at the Old Bailey by Mr. Kenneth Barraclough, acting Chief Metropolitan Magistrate.

Lord Harlech, president of the British Board of Film Censors, and Mr. Murphy, Board secretary, had faced summonses accusing them of aiding and abetting Classic Cinemas in "scandalously" showing Language of Love to the outrage of public decency.

The magistrate said Classic Cinemas must stand trial, but he did not think there was any evidence of law which in any way involved Lord Harlech or Mr. Murphy on a charge of aiding and abetting.

Mr. Hutchinson said: "This is an allegation of outraging public decency. In my submission the only evidence of outrage has been in bringing these two gentlemen to court by a private individual."

The two defendants had been put to great inconvenience, anxiety and expense. His request for costs was granted by Mr. Barraclough, who directed that they be paid from public funds.

Mr. Blackburn then said it was a very important decision and he wished to appeal against it.

U.K. office building costs 'highest in the world'

BY JOHN TRAFFORD, PROPERTY EDITOR

OFFICE BUILDING costs in the U.K. are the highest in the world, nearly three times those in France and almost double German costs.

This conclusion, given in the August issue of the monthly magazine Property Investment Review, emerges from research carried out last December for FIABCI, the International Real Estate Federation.

Thirteen countries were asked to give their estimates of land and construction costs for a 100,000-square-foot well-located office block.

On construction costs alone, the U.K. figure was just over £50 a square foot—much the highest of all the countries. The magazine comments that even this figure is too low, at least for central London.

The National Westminster Bank's new headquarters now going up in the City is costing £70 a square foot and there are "at least" three other London office blocks where construction costs are well above £50.

The figures powerfully reinforce the views expressed last month by Mr. Sydney Mason, chairman of the Hammerson group of companies, the property developers.

He said that a major factor holding back office development was the high level of building costs.

Mr. Mason thought the high level of building costs even more effective than restrictive legislation in halting property development.

Hopeful

In spite of these gloomy figures—and the lack of any adequate explanation as to why British costs are so much higher than those of this country's closest competitors — the magazine reports that there is a chance of building costs coming down.

The rate of increase slowed considerably in the second quarter to well below the 1.5 per cent. a month recorded throughout 1974. The magazine believes contractors are cutting profit margins to pick up orders in a sluggish market.

Builders seek new redundancy pay law

FINANCIAL TIMES REPORTER

A CALL for a review of the Redundancy Payments Act and its impact on small building companies was made yesterday by the National Federation of Building Trades Employers.

The call comes from the federation's national committee for small builders and is made to the Conservative Party's smaller businesses committee following a meeting between the two sides.

Protection

The committee says that in situations where continuing an efficient operation demanded a reduction of manpower, small companies often found that their statutory obligations for redundancy payments made it impossible to take the necessary action. "The result is a perpetuation of uneconomic and inefficient working, the outcome of which might well be disastrous for both the firm and its employees."

The NFBTE committee also criticises the Employment Protection Bill which, it says, lays new legal or financial obligations on employers. While it provides new rights for trade unions and workers, its provisions could involve "a massive extension of legal formality" which, according to the committee, could only increasingly harm employer-employee relationships.

New financial obligations, the NFBTE adds, would inevitably mean that the cost of employing workers would be greatly increased.

The committee also appeals to the Government to abandon its policy of requiring firm price tendering for public sector building contracts due to be carried out within a 12-month period.

At a time of high inflation, the NFBTE points out, contractors have to protect themselves in their tenders against all risk of increased prices for the 12-month period and although the process was itself inflationary, it was necessary to avoid losses and possible liquidation.

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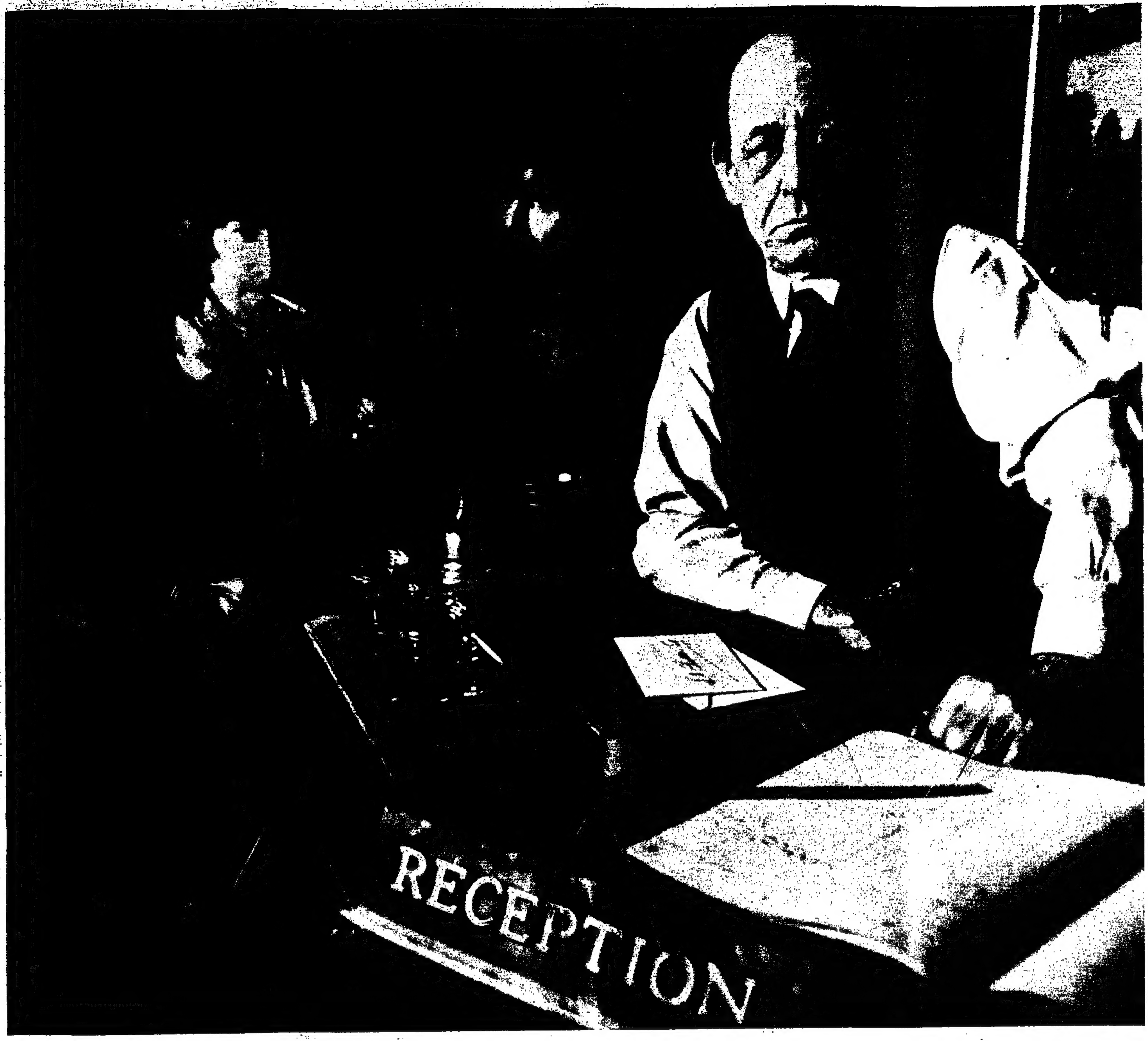

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LABOUR NEWS

NVT talks with stewards on future of Small Heath

BY CHRISTIAN TYLER, LABOUR STAFF

NORTON VILLIERS TRIUMPH, the ailing motorcycle and engineering group, will try to *hammer out the future of its* Small Heath, Birmingham, factory in talks with shop stewards due to begin to-day.

The stewards, representing 1,400 workers at the Small Heath plant, will be presented with a range of options. Some measure of redundancy is almost certain to be among them.

Mr. Hugh Palin, an NVT director, said yesterday a statement would be made "in two or three days. We have no cut-and-dried plan. But at the end of the day we will have to come to a decision—although we *hope that will be a decision* taken in common with the men."

Small Heath, the former BSA works, is the last of three main manufacturing plants still in NVT's hands. The Wolverhampton factory, *where* 1,600 workers are picketing round the clock while looking for a saviour, is in the hands of the *Official* Receiver. The Meriden factory near Coventry is now a workers' co-operative although it has marketing links with its former owners.

Hurdles

Decisions to be made by the Official Receiver at Wolverhampton have a direct bearing on the future of Small Heath. NVT is still in touch with the special *manager there in the hope that* some production—particularly of the Norton motor-cycle—could be switched to Birmingham and so avoid a run-down of work and redundancies there.

The present crisis arose when the Government announced it was putting no more money into NVT. Attempts by union officials, shop stewards and Labour MPs to change the Government's mind *are unlikely to succeed.*

Now the unions are being called on to ask the dockers to "black" imports of motorcycles in order to give the NVT men a breathing space.

One solution for Wolverhampton recently canvassed is some kind of investment by the district council, perhaps leading a consortium of local authorities and private interests to set up a "community cooperative."

This idea, along with the formidable statutory and political hurdles to such an investment, will *be examined by a meeting* of Wolverhampton district council on September 3. The scheme, floated by Labour councillors, is likely to be strongly opposed by the minority Conservative group.

Strathclyde firemen to continue work-to-rule

BY CHRIS BAUR, SCOTTISH CORRESPONDENT

DELEGATES representing most of Strathclyde region's 2,500 firemen confirmed yesterday that they would continue their work-to-rule, although the recent acceptance of a £6 a week *national* wage deal ended a three-month official dispute throughout the rest of the country.

The Strathclyde men are continuing their action until nine local union officials, who were expelled from the Fire Brigades Union for attempting to organise a strike ballot against union policy, are reinstated.

Only one of the region's six divisions, Ayrshire, has resumed *normal working,* despite appeals from FBU national officials. Mr. William Miller, Scottish executive member of the union, said that the *Strathclyde membership* had been informed by circular that applications for reinstatement had been received from five of the nine expelled officials.

He said that the national executive of the union would consider these applications "at a very early date" though no time had yet been fixed for the next executive meeting.

Anxiety at Triumph over redundancies

BY TERRY DODSWORTH

TRADE UNION representatives at *Triumphs Canley plant,* Coventry, are seeking a meeting with the British Leyland Board to discuss suggestions that about half the manual workforce may be axed.

The anxieties have arisen over the belief *that* in the long term BL will be phasing out its medium and large Triumph *range.* Although the Canley factory at present produces the Triumph Toledo, Dolomite, 1500, 2000 and Spitfire ranges, it has been placed in the small car division of the new car company.

At the same time, Triumph's Speke, Liverpool plant has been expanded to produce the new TR7. Most Triumph bodies are made at Liverpool, although engine production is concentrated at Coventry.

Investment in the large car division, where the large Triumph and the Rover 3500 are the main marques at present, appears to have been concentrated at Rover's new Solihull plant.

Both the unions and the BL management stressed yesterday that no final decisions had been taken on the future of Canley.

Talking of the suggestion that some 4,000 jobs might be lost at Canley, Mr. Jim Griffin, Amalgamated Union of Engineering Workers convener, said yesterday: "It is obviously a long-term thing. Some of these models will be in production for another four or five years, and before any *jobs are lost there* will be a lot of hard talking."

British Leyland said that a "great deal of discussion" had to take place before future operating plans were finalised. "The participation system now in the process of being set up will have a major role to play in *such* discussions."

Since the beginning of 1974 the Coventry plant has shed about 2,000 workers, both staff and manual, to bring it down to the current 10,000 level.

● About 1,100 hourly-paid car workers at Triumph's Speke *plant* were *laid off yesterday* because of a walk-out by 32 stacker truck drivers protesting at the dismissal of a driver for failing to carry out a supervisor's instructions.

Tailors urge Government help on pay

By Our Labour Staff

THE NATIONAL Union of *Tailors and Garment Workers* is seeking assistance from the Government in its negotiations for a new annual wage agreement for some 120,000 garment workers.

Union members have rejected a £3.60-a-week offer from the employers, and the union has written to the Department of *Employment informing it of the* situation. According to Mr. Jack Macgougan, the union's general secretary, it hopes that the Department will suggest an inquiry or arbitration.

The union is seeking the full £6-a-week increase permitted under the Government's new wage policy. It considers this an "entitlement" while the employers say it is a maximum which they cannot afford to offer.

The situation is further complicated by £2.40 a week cost of living increases paid last April.

With the industry in a state of recession there seems little chance of the union staging any *industrial action to support* the claim.

Swan Hunter seeks wages policy advice

BY JOHN WYLES, LABOUR REPORTER

DEPARTMENT of Employment officials will be asked to-day to advise management and unions at Swan Hunter on how they can settle a six-week strike by 5,000 shipyards workers *within the* limitations of the Government's £6 pay policy.

The two *sides* decided *on* this joint approach at a meeting in Newcastle yesterday after agreeing that they needed guidance on the options now open to them.

Although both the company and the main union involved, the General and Municipal Workers, are anxious to abide by the £6 policy, the strikers have so far shown no *inclination to draw* back from their challenge to the Government.

They are demanding interim raises of £10.30 a week by next January in line with an annual settlement covering the company's boilermakers which was made in June.

While the size of their demand is clearly above the pay limit, their claim for immediate rises also breaches the policy's insistence on a 12-month gap between *wage increases.*

But the company and the Swan Hunter unions want to know whether they can still negotiate on *the basis of a proposed* deal reached before the new policy came into operation on August 1 which would have given £5.50-a-week increases by next January.

This offer, recommended for acceptance by shop stewards, was rejected by a mass meeting of the workers which was held a fortnight ago *on the day* they returned from their annual holidays.

Union negotiators hope that providing the Government does not rule out payment of any interim rise, the passage of a further two weeks and a change in the weather might encourage a more compromising attitude among *the men* who belong to the outfitting and ancillary trades.

National union officials plan to *report back to shop stewards* on the DE talks to-morrow, with a possible meeting of the workers *following* in a day or two. Meanwhile, work has been halted on 25 ships in Swan Hunter's six Tyne yards and some 5,000 workers made idle.

Leyland workers to discuss £6

BY ROY ROGERS, LABOUR CORRESPONDENT

MEETINGS OF 9,000 workers at British Leyland's five Lancashire truck and bus plants will consider to-day whether or not to mount a challenge to the Government's £6 pay limit.

Negotiations between management and the unions led by the Amalgamated Union of Engineering *Workers—one of the main* opponents of the policy — have broken down. This failure to agree will be discussed at meetings to-day which may decide to involve national union officials in a further bid to resolve the situation.

The problem stems from a pay deal concluded just before the Government's pay policy was unveiled in July which management says must be renegotiated to bring it in line with the policy. It involved £6 a week rises from next month together with lump sum payments of £52 a week, which take the deal over the limit.

Following the breakdown *of* negotiations shop stewards are angry not only at the company's refusal to honour the agreement but also at a management warning that any benefits due under the second and third stages of the national engineering agreement will have to be offset against the limit.

These national engineering increases—worth £4 a week on minimum rates from November and a further £2 from next February—affect only overtime *and holiday* rates for the majority of engineers already earning above the proposed new minimum rates. They are understood to mean only about 40p a week to the Leyland bus workers.

Shop stewards also fear that improved holiday pay, and bereavement leave may also be offset against the limit, reducing their *£5-a-week offer still further.* They want the management to implement the agreement in full, including the £52 lump sum payments which were part of a restructuring to reduce the number of pay grades at the Lancashire truck and bus plants from 170 to only seven.

State aid plea for education

THE GOVERNMENT should make more public money available for trade union education, *claims the TUC. In a memoran*dum to Mr. Fred Mulley, Education Secretary, it calls for £380,000 to be made available initially, with more as the demand for education grew.

This is disclosed in a special section of the TUC General Council's annual report to be presented to the annual Congress next month.

The general council justifies its claim for more financial assistance on the grounds that there is already extensive Government support for management education and because new responsibilities are being placed on Union activists.

"The success of any Government's industrial and economic strategies will inevitably involve *the co-operation of trade unions,"* says the council in a memorandum to the Ministry.

The TUC estimates there are about 400,000 *office* holders in Britain's trade unions and if the total of student days provided in all existing union education *services were divided among* them it would amount to a "derisory half a day per year."

Yet trade unions themselves, the TUC estimated, spent approximately £1,220,000 a year on union education and training. In addition the TUC itself, spent approximately £200,000 a year on education.

"In 1973 it was estimated that public expenditure on post-experience management training was about £12m. to £15m. a year.

"The sum going to trade union education from public funds was probably less than £500,000."

The TUC estimates that in Denmark, with *only* one-tenth of our trade union membership, about twice as many courses are made available for shop stewards.

The TUC proposes that ways should be found for making an enlarged and free contribution from public educational agencies to trade union education and for encouraging the provision of one-week and longer courses by unions themselves. There are, it is claimed, two main categories.

One was to provide education and training for union office holders to carry out their trade union duties, particularly the 300,000 shop stewards and other *workplace* representatives. The other was to provide membership education for all who sought it.

Tractor plant at standstill

MASSEY FERGUSON yesterday laid off 1,400 hourly-paid workers from its Manchester factory because of a pay differentials dispute involving 80 men in the *machine* shop. Production of agricultural and industrial tractors at the plant—about 70 per cent. for export—came to a standstill.

Jackson talks of disaster if policy fails

FAILURE of the Government-TUC *anti-inflation policy would* be "a disaster for all of us," Mr. Tom Jackson, general secretary of the Union of Post Office Workers, told his 200,000 members yesterday.

Explaining the union executive's *decision to accept the* policy, he writes in the UPW's journal that this was done in the belief that "most of our members want to end the inflationary merry-go-round.

"It not only affects Britain as a whole, but has a bad effect upon our living standards and has consequences for the Post Office and our jobs which could *be far-reaching* and eventually calamitous."

Even though unemployment would continue to rise, it would be nothing to the level of unemployment which would be brought about by Tory policies, *Mr. Jackson says.*

S. Wales pits vote 'No'

SOUTH WALES miners will vote overwhelmingly against accepting the Government's £6 pay curb, Dr. Dai Francis, area general secretary, said yesterday.

Mr. Francis said reports received from various lodges made it clear that the coalfields would reject the limit when they vote on Friday. He was speaking after a meeting of the area's National Union of Mineworkers executive representing 28,000 miners.

Delegates who voted against the recommendation of our executive rejecting the White Paper have changed their minds after lodge committees heard the case made out by miners' agents and executive members," Mr. Francis said.

● The 1,300 miners at Bates *Colliery* at Blyth, Northumberland, went back to work yesterday after a 24-hour strike over the closure of a face because of geological difficulties. They agreed to go back to allow talks to take place on the future of the face.

Union to pay sacked trainee

THE TRAINEE *officer* of the Association of Scientific, Technical and Managerial Staffs whose non-confirmation in the post led to a strike by the officers, is being made ex-gratia payments by the union until her *future is decided by arbitration.*

The trainee, a girl, has not been reinstated on the payroll as the officers' demanded, however A final decision on her case is not expected for several weeks.

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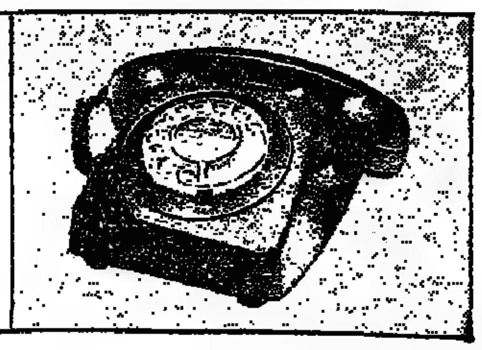

The Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

● TRANSPORT

Leonard Burt

Major engineering works are under way on Western Region's Paddington to Bristol and South Wales lines in readiness for the high-speed trains due to come into service in October, *1976.* Because speeds *of over 100 m.p.h.* are planned, an increased depth of ballast, on which continuous welded rail is laid, is required. Work being carried out includes the *re-ballasting of 134 miles of track together with realignment* and re-canting of 90 miles of curves. Major track realignments are taking place at Hullavington and Chipping Sodbury, and at Chippenham, Coalpit Heath, Pangbourne, Thingley Junction (between Chippenham and Bath), Tilehurst and Twyford. *A further 9 miles of track is being blanketed with layers of* sand and polythene sheet and almost 12 miles raised by an average of 6 inches. This picture shows polythene sheeting *being laid over a stonedust/sand mix* which forms a base for the reinstated track.

Black box for pilot on bridge

THE FIRST units of Decca's new Channel Approach Aid are ready for service at the tanker terminal at Milford Haven. The equipment provides a pilot with on-board readings of distance to go, speed and deviation from the *leading line of a dredged channel.*

Of brief case size and weighing 22 lb the unit, which is taken on board by the pilot when he joins the vessel, operates in conjunction with its own shore-based transponder *beacon and is* independent of other systems.

The portable instrument, battery powered, is placed against the wheelhouse window to face approximately towards the relevant beacon (there are *three at Milford Haven giving* successive coverage up to the BP jetty). After switching on and *acquiring the beacon the pilot is* provided with a running record on bright digital displays of range in feet or nautical miles, speeds in knots or feet per minute and offset in feet from the leading line.

An important feature is the ability to read distance-to-go to any pre-determined point of turn.

A specific pulse spacing is used to ensure that the ship-borne unit responds only to the beacon *selected,* allowing a number of beacons to be operated in the same general area.

Range is measured by a reflected pulse radar method, change of range over a period denoting speed. Offset from the lead line is determined by measuring the angle of incidence of the signal from the ship-borne *unit to an aerial array in the shore beacon.*

Intended mainly for very large tankers where, for example, turns in channels have to be very accurately executed, the approach aid was developed by Decca in *conjunction with the Admiralty* Surface Weapons Establishment and Royal Radar Establishment.

● REFRIGERATION

Containers keep their cool

A SYSTEM enabling refrigerated transport containers to be stored and handled anywhere in the world has been developed by Hall-Thermotank International, Dartford, Kent.

Known as Unicore, it is installed in two standard containers so that the entire plant can be moved as required by container transport.

A machinery module and one or several duct modules comprise the system. Apart from an electrical supply, no external services are required. A modular power generating set can be supplied, as well as a Hallitherm Redicon electronic control system for local or remote control.

The machinery module, measuring 20 x 8 x 8 feet, houses the refrigerant condensers and compressor. The duct modules, measuring 42 x 8 x 8 feet, house feed and return air ducts, an expansion-type cooler battery and twin fans, as well as controls which can be manually set or connected for remote automatic control by Redicon.

The air ducts have male couplings to which refrigerated containers are connected. Pneumatic shutters automatically seal the couplings when a container is withdrawn. Up to 12 containers can be connected to each duct module, six on each side. Several duct modules can be coupled end-to-end.

Any temperature from minus 23 to plus 13 degrees C. can be maintained. Defrosting heaters *can be used to maintain* containers at above-ambient temperatures.

Connection between the machinery module and the duct module is by hose for refrigerant, simplifying alignment problems.

The system can be used aboard ship, to extend cold stores, or to provide cold stores at temporary sites, such as military and construction camps.

An order for the first 15 units has been placed *by Overseas* Containers to extend present facilities. The value of the contract is over £2m.

● ELECTRONICS

Gold plate on boards under test

IT IS essential to check for porosity and cracking in the gold plating on PCB's since the effectiveness and reliability of gold *for contact* use is dependent to a very large extent on freedom from porosity and pitting.

The S. G. Owen electrographic porosity tester consists of a power pack giving variable voltage and stepped current control (0-3A), and a simple hydraulic press.

Specimens to be tested are first degreased. Two types of paper are then used: a white sensitised paper is placed directly on the specimen and a blue paper is soaked in de-ironised water and placed on top of the white paper.

This "sandwich" is put in the press and a pressure of 200 psi is applied. *When current* has been passed for 15-30 seconds, the papers can be removed from the press and a definitive print is obtained.

Inspection of the print reveals, effectively, any porosity *or pinholes in the sampled area.* These show on the papers as brown or black spots, the number and intensity denoting the extent of the porosity present. If no marking other than a ghost outline occurs no *porosity is present.*

The whole unit is very safe and simple to operate and unskilled labour can be used. Installation can be in a production line or for precision checks in a laboratory.

S. G. Owen Group, Ryehill Close, Lodge Farm Industrial Estate, Harlestone Road, Northampton NN57US. Northampton (0604) 54221.

● COMPONENTS

LEDS come in more colours

MONSANTO has announced four new products in its line of discrete light emitting diodes. The new products are T-1¾ size and are available in four colours; red, orange, yellow and green, with outputs of up to 45 millicandelas.

The MV5352, a yellow discrete LED, has a typical output luminous intensity of 45 millicandelas. Other products in the line include the MV5152 (orange), with 40 millicandelas output, the MV5252 (green), with 15 millicandelas, and the *MV5752 (red), with 40 millicandelas.*

The orange, red and yellow use *nitrogen-doped* gallium arsenide phosphide on a gallium phosphide substrate, a materials technology patented by Monsanto. This technology provides improved efficiency from the basic chip material. Incorporated with new reflector packaging *techniques* that have been developed, the total apparent brightness of the devices is improved by factors of up to 10 times.

The radiated light output of these devices is transmitted in to a viewing angle of 28 degrees, making it useful as an on-axis indicator or back-lighting source.

Maximum power dissipation is 105 milliwatts, with a maximum forward current rating of 35 mA (at 25°C). Storage and operating *temperature capability is* −55°C to +100°C.

These lamps are panel mountable, with a snap on clip available on request. Bulb diameter is 0.200-inch (5.08mm), and lens height is 0.340-inch (8.64mm). Lead length is 0.800-inch (20.32 mm) minimum.

These units are appropriate for applications where high on-axis brightness is required. Specific applications include computers, *electronic instruments,* appliances, telephone equipment and transportation equipment.

Monsanto, 10 Victoria Street, London SW1H 0NQ. (01-222 5678).

● PRODUCTS

Small pump with high pressure

FRACTIONAL hp pumps with industrial and domestic applications are being *marketed* by Carter Electrical Company (a member of the Sew-Tric Holdings Group), of Eastern Avenue, Romford, Essex.

A high pressure pump, weighing 6 lbs 5 ounces, it can be used *for filling header tanks against* heads ranging from 7 feet to 80 feet. With a 30-foot head the output is 12 gall/min. and the pump can be run for ten minutes. From 60 feet to 80 feet the motor *is rated continuously.*

The pump can be used for high-pressure tank cleaning, pumping vegetable oils, milk, beer, cider, wine and vinegar as well as water.

The motor is series wound with a ballrace at the drive end of the pump and a sintered bronzed sleeve bearing at the non-drive end. It will operate from ac or dc domestic voltages. The pump has a specially *developed seal said to be suitable* for a wide range of liquids.

● COMPUTERS

Realistic production schedules

COMPUTERISED production planning by a *system* called Scope is to be offered to industry by Atkins Computing Services.

Scope has been developed by the London Graduate School of *Business Studies to help production* managers set realistic schedules, monitor progress and react quickly to changes. It does not, however, remove production decisions from the system user: instead it supplements the user's skills by placing before him a *selection of alternative courses* of action, lets him choose the particular route, then advises him of the ultimate result of this choice.

Moreover, it assumes that the client is an expert in his own field, but has no knowledge of computer operations or programming. It is also very flexible in application and can be used wherever there are batch production made-to-order environments such as are common in *engineering,* printing, textile manufacture, building, pottery, ceramics, food processing, etc.

Atkins is at Woodcote Grove, Ashley Road, Epsom, Surrey. Epsom 24981.

● INSTRUMENTS

Instrument hot water supply

DESIGNED TO circulate tempered water through the small bore tubing systems of analytical *instruments,* such as the jacketed cuvette holder of a spectrophotometer, a constant temperature liquid circulator has been introduced by Techne (Cambridge), Duxford, Cambridge (02203 2401).

Called the *C-200,* the pumping system is claimed to overcome the problem of poor temperature control caused by insufficient flow through the heat exchanger. Liquid is pumped around a wide bore primary circuit inside the circulator by a centrifugal pump driven through a magnetic *coupling.*

The output and inlet nozzles for the external circulation system are fed from high and low pressure points on the primary circuit so that the tempered liquid is forced *through the external circuit.*

Temperature is controlled by an electronic proportional circuit, switching at zero voltage to minimise radio interference. Operating range is 20 to 80 degrees C and temperature of *the water can be regulated to* ±0.02 degrees C. Temperature to be either preset or knob controlled.

● HANDLING

Lifting and shifting oil drums

TO SPEED up the filling operation of 45-gallon drums, Burmah-Castrol is to instal a complete *drum* handling system at its Ellesmere Port refinery.

The equipment, to be designed and built by Sefton Engineering Company, of Liverpool, will convey the drums through four filling and capping stations at a rate of 240/hour.

Empty drums will be held on accumulative powered roller conveyors, from where they will be fed to the filling machines when required. This will be done automatically including collation for palletising, or diverted on to a line of drum tip-over units.

Four drums at a time will be tipped over on to their sides at the edge of the loading dock, *from where they will be removed* by fork lift truck. To ensure complete control during the tipping, these units will be hydraulically operated.

Throughout the system the drums will be handled in groups of four, which is a pallet load, this grouping being done automatically.

Air drives cantilever conveyor

USING A pneumatic drive system, Turbo Tools, 1 Gillett Street, Hull HU3 4JA (0482 25651) *has developed a belt conveyor* which is claimed to use less air than similarly driven conveyors.

Designed primarily for the food industry, with hygiene in mind, the conveyor belt is supported on a cantilever. A hinged end section relieves tension on the drive drum and the belt can *be slipped off for cleaning.* This feature is believed to be unique. The hinged end section also assists with maintenance in congested situations.

As the conveyor is air driven, it is stated to be safe for use in wet or flame hazard conditions. Built to order to a maximum length of 30 feet and a belt width *of 24 inches, there is a 9 inch* height adjustment on the cantilever supports, and castors are fitted for mobility.

Two reciprocating pneumatic pistons attached to a sprung chain provide a continuous drive via a ratchet wheel and drive chain to the belt drum. Speed is variable up to 25 ft./min. by an *adjustable balanced needle valve* (designed by Turbo Tools) which works off the exhausts of the two cylinders.

The pneumatics are supplied by Schrader.

Keeps the production line going

MADE IN Dublin by the Depalletizer Corp., a depalletiser has been developed for the beverage industry, which is said to be capable of being incorporated into existing installations without major modifications of the *line, and of handling a range* of glass and pallet configurations. Cost is stated to be half of most competitive equipment.

In operation, the semi-automatic version allows the pallet to be positioned on to a small frame to location stops under the frame, using either a fork truck or pallet hand truck. On initiation by the operator the cantilevered frame is lowered until it is level with the base line of the top layer of bottles.

A steady bar supports the first row until about three rows are on the platform, when it swings clear and a pusher bar completes the transfer. A mobile version is available.

U.K. agent is Van den Bergh Walkinshaw, P.O. Box 19, 4 Sheet Street, Windsor, Berks., SL4 1BG (Windsor 51046)—a Van den Bergh Group company.

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The Executive's World

As Babcock and Wilcox considers the proceeds of its German sale, **Geoffrey Owen** searches other engineering companies' diversification records to seek advice for

The company with $60m. to spend

WHEN steel was nationalised in 1967, three big engineering companies, GKN, Tube Investments and Vickers, found themselves with large amounts of cash at their disposal. Instead of handing it over to the shareholders, they used the money to expand their empires and to diversify into new fields. The results have been patchy; some bad mistakes were made and their approach to acquisitions has become much more cautious and selective. The idea that the way to improve an operation is to add something else to it has gone out of fashion.

Now another engineering company, Babcock and Wilcox, is moving along the same path. Two weeks ago the sale of its 25 per cent. holding in Deutsche Babcock and Wilcox was finally completed; Babcock has almost $60m. available for reinvestment.

Better growth

Babcock's position differs from the others in two important respects. First, it made a conscious decision to sell off the safe but low-yielding German investment and to replace it with investments which would have better growth prospects and would strengthen the company's international business.

Second, the money is overseas and will be spent overseas, primarily in North America. This is not because Babcock is disillusioned with the U.K. as a manufacturing base: it wants to become more international and it is logical to use the proceeds of the German sale for this purpose. Expansion in the U.K. can be financed in other ways.

Despite the differences, the challenge facing Babcock is essentially the same as that faced by the other three companies after steel nationalisation—to find ways of using the cash which will improve the balance of the group and make it more profitable. Can it avoid the mistakes that the others made?

One was to diversify into sectors which they knew too little about. When the acquired company got into trouble, they had neither the experience nor the skills to put it right: one of the worst cases was Vickers' purchase of Zimmer, the chemical engineering contractor, which eventually had to be sold to someone who did know about the business, Davy International. In moving into a new field one is gambling heavily on the quality of the acquired company's management.

There may have been a tendency for engineering companies to think that because they "know about engineering," they are capable of managing any branch of the industry. When Tube Investments picked on machine tools as one of its two main areas for diversification (the other was domestic appliances), it seemed the kind of industry that TI's management should have a feel for. As it turned out, the difficulties of runnning a machine tool business, and its severe cyclical problems, were grossly underestimated. The first purchase, Charles Churchill, though widely regarded as one of the best-run machine tool manufacturers, ran into unexpected problems; apart from the bad luck of losing the selling agency for Cincinnati milling machines (which had been a useful source of profits), shortcomings in the management soon became apparent and took a long time to correct.

Instead of a successful diversification TI had to contend with a fearsome drain on its financial and management resources which has only recently, after a number of acquisitions, disposals and closures, begun to come right. Presumably Vickers, which has begun to show a mild interest in machine tools (through its management responsibility for Kearney Trecker Marwin) is aware of the pitfalls.

To make a good buy in an unknown industry is not, of course, impossible. TI has done much better in domestic appliances, partly because its first major acquisition, Radiation, had strong management and an entrenched market position. Vickers' ventures in office equipment (Roneo) and lithographic plates (Howson-Algraphy) appear to have come off successfully. But the risks are considerable; it is usually safer to stick to businesses which the existing management understands. This has been GKN's philosophy in automotive components; it has deliberately concentrated its efforts on and around the transmission system—crankshafts, drive shafts, axles and so on.

HOW THE EMPIRES GREW

Some major acquisitions since 1965

VICKERS	**TUBE INVESTS.**
Crabtree	Radiation
Roneo	Charles Churchill
Algraphy	Coventry Gauge
Zimmer[1]	Allen West[2]
	Midland Aluminium
GKN	**BABCOCK**
Birfield	Winget Gloucester
Vandervell	Blaw Knox
Firth Cleveland	Gen. Electrical and Mechanical Systems
Kirkstall Forge	Woodall Duckham
Miles Druce	

[1] Sold to Davy International in 1971.
[2] Jointly with General Electric of U.S.

During the sixties, when most of these mergers took place, many companies had exaggerated ideas both about the benefits of "synergy" and about the capacity of their management to take on the additional burdens of rationalisation. It was often supposed that the way to cope with a loss-making subsidiary was to buy another company in the same field and put the two together. Thus GKN bought R. H. Windsor to strengthen its position in plastics machinery, while TI bought George W. King in materials handling—it has since disposed of the business. The alternative—selling or closing down the troublesome subsidiary—is unpleasant medicine, especially in a decentralised group where the divisional managers have their pride at stake.

After their mixed fortunes in the last few years there is some disenchantment with acquisitions as a means of achieving growth—except when the circumstances are just right. Although they would not rule out an "opportunist" take-over when an attractive firm comes on to the market, there is a preference for acquisitions which form part of a coherent policy. GKN would probably regard its investment in steel stockholding, leading up to the bid for Miles Druce, as an example of the strategic plan, carefully prepared and consistently implemented. By contrast Firth Cleveland, taken over in 1972, was a disparate collection of businesses, some of which, like Civic Stores, were quite inappropriate for GKN.

Resources

There is a greater reluctance, too, to accept claims by divisional managers that they have "spare capacity" to take on new tasks. An exception was TI's bid, jointly with General Electric of the U.S., for Allen West, the manufacturer of motor control equipment. This was a case where the existing Simplex-GE operation, a joint venture between TI and General Electric, had technical and managerial resources which were out of proportion to the size of the business; bringing in Allen West was both logical and, it seemed, entirely manageable.

Finally, they will look harder at the scope for internal expansion as an alternative to growth by take-over. It is doubtful, for instance, whether TI has much cause to regret the failure of its bid for Newall in 1971. The take-over was intended to fill an important gap in its grinding machine range, but the gap has now been effectively filled by internal product development, supplemented by a Japanese licence—without the management upheaval which an acqusition, even on friendly terms, usually entails.

John King, chairman of Babcock and Wilcox, above.

These lessons will not have been lost on Babcock and Wilcox. It already had some experience of diversification in the U.K., starting in 1968, and the company's approach has been cautious. Its first purchase, Winget Gloucester, looked disappointing in the early stages, but Babcock was already in the construction equipment business and knew the market. It has tried to build up those products which had a competitive edge (such as Winget concrete mixers and Blaw Knox pavers) rather than, say, loading shovels, where they were up against strongly entrenched domestic and international competitors.

The purchase of Woodall-Duckham had a different purpose. The main point was that this company had proven skills in contract management. Although Babcock had long been active in designing plants and managing projects, especially for the CEGB, its experience had been narrowly based: the addition of Woodall-Duckham, it was felt, would give Babcock a contracting capability more in line with the group's size and ambitions.

There was, however, another attraction. The Babcock management has a strong belief in the future of coal; this is something they know about from their traditional business of power generation. Within Woodall-Duckham there was expertise in the design and manufacture of coke ovens for the steel industry and in systems for the bulk handling of coal. Within General Electrical and Mechanical Systems, which Babcock acquired at about the same time, there was Huwood, one of the leading U.K. manufacturers of underground mining machinery.

The business of extracting, handling and processing coal is seen as one which offers great opportunities over the next 10-20 years. It satisfies virtually all the criteria which Babcock has set for itself in its acquisition programme. It has good growth prospects; it is not too dependent on Government purchasing or vulnerable to political interference: it is in a field of engineering capital goods which Babcock's management understands.

There is a long-time cycle in engineering: anyone who tries to give a big, traditional engineering company a new sense of direction cannot expect quick results. Five years ago the top management at Vickers was changed. Although there has been a distinct improvement in the company's performance since then, Vickers' large engineering group is still a mixture of good and bad. Although it contains some promising businesses that have been built up partly by acquisition (such as bottling machinery), there are others which are neither big enough nor profitable enough in their present form; hydraulics and medical engineering are two examples. There is still some internal sorting out to be done.

Like Vickers, Babcock had been subjected to a good deal of criticism before Mr. King arrived in 1970. Since then profitability has improved and the balance of activities has changed. Whether Babcock can now make a big leap forward on the international stage will depend on the decisions taken in the next few months.

BUSINESS PROBLEMS

Bed and breakfast

BY OUR LEGAL STAFF

I understand that under the recent Budget companies are prohibited from "bed and breakfast" transactions, but not private individuals. Am I correct in thinking that a loss I have "created" can be used to offset gains on the sale of shares other than those used for a bed and breakfast deal?

Yes, you are quite correct. There are still no special restrictions on the allowability of losses created by individuals by means of bed-and-breakfast deals (except for gilt-edged securities, of course). The Financial Secretary to the Treasury, Dr. John Gilbert, has confirmed that "as long as all capital gains are ultimately brought into charge to tax, there is no fundamental objection to the bed-and-breakfast device by individuals" (Hansard April 16: col. 576).

You are not strictly correct in saying that clause 53 of the Finance (No. 2) Bill prohibits companies from this type of transaction, but a detailed discussion of the complex rules proposed for companies is outside the scope of your enquiry.

A repairing covenant

Is there any express or implied condition on a landlord on letting business premises on lease for 13 years, in which the lessee covenants to keep the interior in good repair and condition, to put the premises in such condition before the commencement of the lease?

No. The law implies into a tenant's covenant to keep in good repair the words "put and" before keep. It is for the tenant to put the premises into the condition stipulated for.

Capital gains taxation of development trusts

In my return for year ended 1974, I returned several gains on sales of investment trusts and losses on other securities. At the end I deducted 16½ per cent. rebate on investment trusts which resulted in a loss carried forward to later years. The Inspector writes to me now as follows after other queries: "One other point arises the relief of 16½ per cent. is allowed against the capital gains tax charged and not the actual gains arising. There will not therefore be a loss to be carried forward to later years." Is the Inspector correct?

Section 112 of the Finance Act 1972, although undoubtedly intended to be an improvement on the apportionment provisions which it replaced (section 37 of the Finance Act 1965), produces far more complex calculations for taxpayers than did the original law and it is capricious in its effect as between one taxpayer and another.

We are sorry to say that the Inspector is correct. Briefly (and we stress that the legislation is not really as simple as this), in the following situations there will be no consequences at all from the fact that any shares disposed of nominally qualify for section 112 relief: (a) if qualifying shares are sold at a loss; (b) if all gains on qualifying shares in a tax year are covered by losses (regardless of whether the loss-making assets were qualifying shares), including unused losses brought forward; (c) if no capital gains tax liability actually arises for the year, for example, if your statutory income is covered by allowances, trading losses, etc.

Where gains on qualifying shares are partly covered by losses (whether on qualifying shares or on other assets), the amount of section 112 credit is restricted. For example, if your capital gains and losses for 1974-1975 were as follows:

	Gains	Losses	Net Gains
Qualifying shares	270	220	
Other assets ...	230	80	
Losses brought forward		Nil	
	£500	— £300	= £200

your capital gains tax liability would be as follows (assuming that you were chargeable at the highest rate):

CGT chargeab. 30% of £200 =	60
Less: Section 112 credit: 16½% of £200 =	33
Net CGT actually payable...	£27

To keep this answer as simple as possible, we have not dealt with the circumstances in which a gain (whether on qualifying shares or on other securities) may qualify for partial credit, under subsections 6, 7 and 9 of section 112.

*

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.

Involve managers

BY DOINA THOMAS

YESTERDAY THE consultancy MSL added its voice to the distinguished chorus of commentators predicting awful, though distant, consequences resulting from the demoralisation of managers. "The steady impoverishment of managers and executives must be seen as the most dangerous form of national disinvestment possible." MSL suggests in its quarterly magazine, Management Matters.

The demoralisation of managers comes not only from the pressures on them by the outside world—the continuing restrictions on the way they do their jobs—but also from the changing relationship with their employers. MSL argues. Managers now have less job security but have seldom taken up the protection of a union instead.

But Philip Hill, the head of MSL's human relations division, believes that there is at least a partial remedy that companies can adopt. "many firms have largely neglected the area of non-financial incentives for their executives," he says.

Hill, whose book *Towards a new philosophy of management* will be published in the autumn, suggests that as well as doing every thing possible on the financial side, companies should also involve their managers on the "social" side of business. "Companies must," according to Hill, "commit themselves to an open statement (backed up by action aimed at real change) of their values and objectives. . . ." These must be stated in relation to the treatment and management of their own employees as well as to the society of which the company is part.

If companies do this, and allow their mangers to discuss the values and the implications all round, then, Hill suggests, companies should be able "to obtain a high degree of commitment to these values and objectives." But more than just words are involved; companies must live out their good sentiments.

SOCIAL RESPONSIBILITY

Accountants step forth

BY ROY LEVINE

THE PUBLICATION to-day of "The Corporate Report" by the Accounting Standards Steering Committee could change the role of the auditor irrevocably. For the first time in its history, the accountancy profession has stepped outside its traditional role, and—to match the moods of the day—has become involved not only in financial reporting, but in a firm's relations with employees, government and society.

No doubt many in the profession will object strongly to such a step. But the architects of the report, led by Sir Ronald Leach, have at least had the courage to face up to the present challenge to accountants and, at the same time, to push its claim for a place in the competition about who is to present what information to whom after the ever widening range of disclosures brought about by legislation like the Industry Bill and the Employment Protection Bill. Viewed in its widest sense — and perhaps the least kind—the report can be seen as an attempt by a profession to protect its territory.

Companies Act

The recommendations in the report are purely in the form of a discussion paper. According to Sir Ronald, it will take at least six months for proper debate within the profession and a further six months before the various accounting bodies in the U.K. act on the report in the form of new accounting standards. Some of the recommendations are so far reaching that, if there is a common will among members in the profession and in Whitehall, it may indeed require changes to the Companies Act to give auditors the wider scope suggested. Because the report is a pioneering effort, any of its recommendations put into effect would put the U.K. accountant yet another step beyond his continental counterparts.

The main object of the discussion paper is to set new objectives for financial reporting—recognising that the present concept of reporting to the "owners" only is outdated. The Companies Act lays down minimum standards beyond which most firms have not chosen to go, apart from a few pioneering efforts to present special annual reports to employees explaining the need for higher profits in an inflationary age, and the adoption of a few additional accounting and disclosure standards prepared by the Institute of Accountants in England and Wales.

Yet the challenge by both managers and accountants today is for much wider disclosure — to government, creditors, share analysts and especially employees—a fact implicit in proposed legislation. If the accountancy profession does not rise to this challenge, it could lose its credibility and so its market.

It is in the non-financial sphere that the ASSC report is likely to stir most controversy among its own members. To an extent the report takes the profession beyond its traditional cornerstone—the "True and Fair" view of annual accounts—and introduces concepts of much wider responsibilities for directors and auditors.

Sir Ronald Leach

This vision applies not only to companies but also to nationalised industries, partnerships, local authorities, trades unions and even pension schemes. No one, and no subject, is omitted.

Perhaps the most far reaching recommendations are in the sphere of employment, keeping in mind the extraordinary degree of disclosure which the unions are seeking to reinforce their wage bargaining power.

The report pre-empts pending legislation and recommends a checklist of facts which should form part of the corporate report. These include the reasons for changes in the numbers employed, the age and sex distribution of employees, major site and plant closures, disposals and acquisitions during the year, hours worked, employment costs and costs of training. It also includes the names of recognised unions and membership figures and information on the safety and health of employees.

"Nothing illustrates more vividly the nineteenth century origin of British company law than the way in which employees are almost totally ignored in the present Companies Acts and in corporate reports," claims the committee.

Checklist

If its checklist does not completely satisfy unions, it at least promises to bring the profession one giant step forward into the present. It wisely rejects the concept of human asset accounting—the quantification of human resources by, for example, capitalising remuneration costs—on the basis that employees are not owned by employers. But it at least recognises the need to judge not only the efficiency and productivity of a concern, but its personnel policies and industrial relations record.

An important appendix to the report gives a theoretical example of an employment report of a manufacturing concern giving four pages of information along the lines of the checklist. This includes the number of complaints lodged with the Race Relations Board and the number found to be justified; the frequency of industrial accidents; and employment ratios including average sales (value-added, profits, etc.) per employee. These ratios could well be a spur to industry to improve its performances.

The Committee also recommends a statement of corporate objectives including information on employment policies, consumer issues, environmental matters and other relevant social issues. "Social accounting," it comments, "will be an area of growing concern to the accounting profession and one in which it has an opportunity to help develop practical reporting techniques."

It is to be hoped that the report is seen not merely as an exercise in public relations for a much maligned profession, but one that will lead to concrete changes in company law in the not too distant future.

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WEDNESDAY, AUGUST 20, 1975

Yardstick for companies

THE DISCUSSION paper on "The Corporate Report," published yesterday by the Accounting Standards Steering Committee, takes as its starting point the proposition that a company has responsibilities not only to shareholders, but to a number of other groups in the community: these it defines as the loan creditor group, the employee group, the *analyst-adviser* group, the business contact group, the Government and the public. All these groups have an *interest in the company's* activities: they have information needs which the company's reporting arrangements must *satisfy. This view is reinforced* by the fact that most company chairmen, according to a survey carried out by the committee, *do not regard the maximisation* of shareholders' profit as their primary objective. Companies have other objectives and their progress in meeting them should be fully covered in their annual reports.

Framework of law

There are dangers in this line of argument. Companies have to operate within the framework of company law as it exists today, not as it might be reformed in the future. The primary purpose of annual accounts is to assist shareholders in exercising their control of the company: there are other purposes, certainly, but these must not take precedence over the need to provide shareholders with a fair and accurate report of the *company's financial position.* There is much discussion over enlarging the rights of employees, presumably at the expense of share*holders, but this is not yet* embodied in company law and it is not clear how it will be done.

Secondly, it is difficult to conceive any better measure of a company's performance than its profitability. The paper rightly draws attention to the deficiencies of *historic* cost accounting. It argues that inflation-adjusted financial statements should be given greater prominence in annual reports. This is, of course, the concern of the Sandilands Committee, due to report later, but the authors' comments underline the general point that in the strictly financial sphere a great deal can and should be done to improve the quality of company reporting.

The paper points out, for *example, that although the 1967* Companies Act requires companies to disclose profit and turnover figures for different classes of business, there has been a wide variation in the way this provision has been interpreted. It is often difficult to compare the performance of two competing companies in a particular industry, because they use different methods for subdividing their total turnover. The paper recommends further research to work out a generally applicable and practical basis for disaggregation.

The fact that the quality of financial reporting, of direct interest to shareholders and creditors, needs to be improved does not, of course, mean that other information, of interest to other groups should not also be provided in the annual report. The paper suggests, for instance, that there should be a *statement of value added,* a detailed employment report, a statement of money exchanges with the Government, and a *statement of transactions in* foreign currency. All of these merit further study. More questionable is the suggested *statement of future prospects,* showing future profit, employment and investment levels; the publication of a company's *internal forecasts, even for* a year ahead, could cause serious difficulty.

Confusing

As a first step in a review of financial reporting, the discussion paper is helpful. It is possible, however, that the quantity and complexity of the information which the authors recommend may *confuse both* the recipients and the provider of it. The danger is *not* simply that the corporate report *is being asked to satisfy far* more interest-groups than can possibly be accommodated in a single document. It is that the managers of the business will become so preoccupied with their social and community objectives that the profitability of the enterprise, on which everything else depends, will be neglected.

Competition and the consumer

YESTERDAY'S report by the Price Commission on the profit *margins earned by retail distributors of petrol* is the sequel to an *interim report* issued earlier in the year. It carries the pro*jections contained in the earlier* report on to the summer of 1975, and these speak loudly enough for themselves. "The results *for the average retailer are that* on the three successive assumptions (that there will be no change, a 5 per cent. drop or a 10 per cent. drop in the volume of sales since February) the percentage net margin on his forecast sales will fall by summer 1975 to 0.5 per cent.; to break-even point; and to a loss of 0.5 per cent."

The average retailer is, of course, a fictional creature. The larger retailers may continue to achieve reasonable (though by no means large) margins on turnover, even on the most pessimistic assumptions about total petrol sales. They will be assisted to do so by the fact that margins tend to be higher when garages have "non-forecourt" ancillary services to offer and that it is the smallest garages, on the whole, which have least to offer in this field. In fact, it is the smallest garages *operating in city centres (and,* to a less marked degree in the suburbs) which have the largest labour costs to meet and operate on the narrowest margins, and which are therefore most vulnerable to an increase in competitive pressure.

Acceleration

The total *number of petrol* stations in this country has, in fact, been falling for some time past. The process now looks like being accelerated simply because, after a long period of rising demand, prices have risen sharply and demand has fallen at a time when costs of all kind have been shooting up. The tendency for business to be concentrated in a *smaller number of* units has already made itself felt in various other fields of retail distribution and is all the more likely to do so in the petrol trade now that physical throughput has actually fallen.

The Price Commission *finds* that such a contraction is likely to take place and that a recovery in margins will occur "only *when the process of adjustment* is complete": it will then reflect the concentration of business in larger outlets which enjoy economies of scale. *In reaching this* conclusion, however, the Commission emphasises that it is making no value judgment about the rightness or wrongness of what it thinks likely to happen. It can find no objective standard against which the adequacy of margins can be measured.

Another report

The process of concentrating distribution in the hands of the most efficient units is one against which there are probably fewer objections to be raised from the point of view of the consumer in this than in some other cases. The idea that the smaller garages should be protected from competition by laying down an official minimum selling price for petrol is not likely to be given much consideration. On the other hand, the present situation clearly makes it easier for the larger garages which *have close connections with the* major oil companies to push their smaller competitors out of business through price-cutting.

Though this in itself is not necessarily against the public interest, it is important to ensure that the elimination of competition from the smallest garages does not lead to a situation in which the public may *eventually* be exploited by the successful survivors. The Commissioner of Fair Trading sent the oil companies earlier in the year a memorandum of the way in which he would like to see them interpreting the Monopolies Commission report of the late 'sixties. But this memorandum has in itself no legal force. Given the pace at which *the Commission normally* conducts its investigations, the time at which to ask it for a further report on the same issue may not now be far off.

There are still no proper criteria for taxpayers' subsidies to the railways, argues **Colin Jones**

Finding the right price ticket for British Rail's future

BRITISH RAIL is unique. All other major nationalised industries have been told to cease making losses as quickly as possible but no one expects the railways to emerge from the red. There was not the least dissent when Mr. Richard Marsh, the BR chairman, said recently that "this business has never made a profit *since* nationalisation and in my view it never will." The general assumption is that British Rail is a special case—that it should be treated as a quasi-social service.

Yet the question underlying this assumption has never been properly answered. If there is a case—as there may well be—for retaining a railway system which is larger and more expensive than the users want to pay for, just how large a margin of "social" rail services should be kept going and just how much support should taxpayers and ratepayers be called upon to provide?

The question was neither put nor answered in 1967 when Mrs. Barbara Castle, as Transport *Minister,* halted the Beeching closure programme, "stabilised" the rail network at about the present 11,000 route miles, and tried to distinguish between a commercial railway, which would have to pay its way, and a "social" railway of commuter and other loss-making passenger services, which would be grant-aided by the Exchequer. The issue was again ducked in 1973 when the attempt to run the railways as a commercial enterprise was abandoned, apparently *for ever, and the whole passenger* network was made a public charge. The question is not being answered now when frantic efforts are being made to bring the support cost back under control.

Years of price restraint

Part of the trouble is that no-one knows the true present cost of supporting British Rail. Last year £394m. had to be pumped in to meet BR's cash flow shortfall and the total bill this year is likely to exceed £500m.—if one includes the cost to the taxpayer of the latest capital write-off and the first *annual payment* to help fund railwaymen's pensions. But at least part of these huge sums will have reflected the cumulative cost of several years of enforced price restraint. There is also no doubt that the cost would be lower still if the railways used their human and technical resources more efficiently.

In order to reduce the deficit to more acceptable proportions, British Rail is now raising its prices as fast as (and possibly *faster than) the market will* bear. It has embarked upon a major cost-cutting exercise. And the Government has said that it will impose annual cash ceilings both on the total passenger grant and on the whole of the railways' expenditure. These are all worthwhile measures—so far *as they go.*

By mid-September rail passenger fares will have been raised by 67 per cent. in 15 months. But by then passenger fares will have done little more than catch up with the rise in consumer prices generally over the past 15 months. In other words, the element of Government-induced under-pricing will have been *more or less* eliminated. On a rough approximation, the passenger deficit will by then have been reduced to an *annual rate of about* £250-260m. (assuming costs remain unchanged). On the freight side, the annual rate of loss will have been cut back to something less than £70m. a year (which, given the extent of the slump in steel and other industrial traffics is perhaps not all that exceptional as a bottom-of-the-cycle figure).

How much further the annual losses might be reduced by the present cost-cutting exercise is hard to say. British Rail has put a virtual halt on recruitment, reduced its track laying programme, cut train mileage, and withdrawn from use 60 locomotives, 600-700 passenger coaches, and some 30,000 freight wagons. So far it can point to savings of about £11m. a year (about 1 per *cent. of total costs) and* says that more are expected. The trouble of course is that really worthwhile savings will be *achieved only by winning union* co-operation and the unions are adamantly opposed to reductions in route mileage and manpower. This is where the Government's cash ceilings could be useful—provided they are rigidly kept. They could force both management and the unions to choose between, on the one hand, greater flexibility and efficiency in resources use and, on the other, a drastically reduced rail system.

Yet the basic question—*how* large a margin of subsidised rail services are worth having—will still have to be answered when price restraint has been eliminated and efficiency has been improved. British Rail chose not to respond to the Government's request to define what was called the "necessary railway" two years ago, arguing *with some justification* that this could only be decided in the context of national transport policy and that this was for *Ministers to settle.* Instead, it put forward an "interim rail strategy," in which an expanded role for the railways was envisaged, based on a system "*not* dissimilar in size to the present network, continuing to provide national coverage, developed to a high standard of *technical* efficiency, and better loaded to make use of capacity."

It was Mrs. Castle who almost a decade ago laid the foundations of present transport policy. Her outline has been adhered to by her successors and it has been implicitly reinforced by Britain's membership of the European Community whose embryonic common transport policy has a similar set of objectives. The three basic elements of this policy are, first, that the user should have a free choice of transport services and that this is best achieved by ensuring *parity of competitive opportunity* for the providers of commercial transport services, irrespective of mode. In other words, transport services should be integrated (or co-ordinated) by the market instead of by some administrative *means* such as the regulation of transport capacity or the State ownership of all commercial transport.

The second element of transport policy is that full parity of competitive opportunity for commercial transport operators will be achieved only when each mode and each carrier bears his full costs, including his share of the internal and external costs of the infrastructure he uses. Whether this happens at present no-one can say. The Road Track Costs report which Mrs. Castle issued in 1968 was a useful start towards a system *of* evaluating and allocating road infrastructure costs but it was limited to the direct or internal costs of the road sys*tem—the cost of providing,* maintaining, cleaning, policing and administering. The European Commission in Brussels is working on a *Community-wide* system of road user taxation which will reflect full infrastructure costs, but, an acceptable system of evaluating and allocating the external costs of noise, pollution, and environmental loss is still at least a decade away. In the meantime, there may be rough justice in the fact that most of the capital sunk into the railways in this country (unlike most Continental rail systems) has been written out of British Rail's accounts while road users as a whole are paying about 2½ times as much in road user taxation as the current internal cost of the road system.

The third element in transport policy is a recognition of the point that while policy ought *primarily to be based on* the market mechanism, there can be a case for tempering market forces (such as by imposing restrictions on the use of the private car in urban areas) or for imposing non-commercial *obligations on* commercial carriers for wider social or political reasons (such as by keeping going services that fail to pay their way). Where this happens, however, EEC policy requires the separate costing of these *non-commercial* obligations and the full public compensation of the carrier concerned.

For all sorts of reasons this last point *is usually meant to* be related to passenger rather than freight transport. After all, freight movement is a commercial operation, whether it is undertaken by a public carrier or by a company in its own *vehicle fleet, whereas the* commercial passenger carrier by road or rail is up against the private motorist's discretionary expenditure (and his subsidised commuting). Secondly, it is much easier to maintain some *kind of financial discipline in* a subsidised passenger service, whose tariffs are published, than in a subsidised freight service, where prices are negotiated individually. Thirdly, regional policy, for example, is usually better served by paying subsidies direct rather than indirect transport subventions. Finally, the flexibility, adaptability, and sensitivity to marketing requirements which is now required from a road freight distribution system means that road and rail freight services are becoming more complementary and less competitive. Each is developing its own separate and *specialised* roles.

There is a margin of direct competition between road and rail but it is much smaller than *many people think* and, unless the railways can do something about the relative inflexibility of the service they offer and the relative costliness *of* present road/rail transfer systems, the margin will become smaller still.

This is why both the environmental and the energy conservation arguments for subsidised *rail freight services* or for a forced transfer of freight traffic to the railways fall to the ground. The "environmental impact" of the lorry is greatest in urban areas where most traffic has to be *distributed* by road anyway and a greater use of urban railheads could easily exacerbate the environmental problem. Similarly, energy *conservation* is best promoted more directly, through the price mechanism and in other ways. From a national point of view, moreover, it is important to ensure the best use of all resources, *including fuel.*

Freddie Mansfield

Spelling out the case

There may be a case for subsidising passenger rail services on social and environmental grounds but it is a case that needs to be spelt out more clearly and each instance ought ideally to be based on some clearly defined criteria. What is not acceptable is the present blanket assumption that the whole of the current revenue support is justifiable on these grounds. For example, it is argued that subsidised commuter rail travel helps to prevent increased commuting by *car and the environmental harm* this would generate. But more effective parking controls on commuters' cars might achieve the same objective at less cost to the public purse. Again, the social case for rail passenger services is not clear cut. Expenditure on rail travel tends to rise more than proportionately with income. There is no justification for subsidising the business traveller (who, incidentally, is not the predominant user of inter-city services—a case, presumably, for selective pricing). Nor does there seem much point in subsidising, say, the London rail commuter at *the expense of taxpayers* elsewhere. To do so is a perverse kind of counter-regional policy.

The fact that other countries, *like West Germany and France,* pay out bigger rail subsidies is irrelevant and misleading. In both countries, efforts are now being made to reduce the subsidy bill. Simple comparisons also ignore the fact that much of British Rail's capital has been written off, a form of "State aid" that is comparatively rare on the Continent. Moreover, railwaymen make much of the argument that, because of differing geographical, historic, and operating factors and because of the differences in government regulations, one cannot compare railway productivity on either side of the *Channel. They cannot have the* argument both ways.

MEN AND MATTERS

Ashbourne's newest shareholder

As if the tussling over the roles of Crest International Securities and Corporate Guarantee Trust in the Ashbourne Investments saga was not complicated enough, a new name has popped out of the hat. Topview Limited is young (only registered at the end of last month), and small (£2 share capital). The argument has been a long one. The Crest/Corporate Guarantee consortium built up a 43 *per cent. stake in* Ashbourne two years ago, incurring an apparently clear obligation to bid. Such a step *was dependent on the backing* of William Stern, who unfortunately became unable to provide such help.

The consortium insisted there were other reasons for Ashbourne becoming an unattractive bid prospect: the City Takeover Panel entered the row, getting itself involved in a court action along the way and a Department of Trade inquiry into Ashbourne is proceeding. Crest, whose chairman is Lionel Casper (voted off the Ashbourne Board last January), is now saying that "concert party" links with Corporate Guarantee no longer exist. So the holding to *argue about.* Crest *further* claims, has recently become just that in its own ownership plus shares held by other unnamed associates.

Against the Panel's wishes, Crest yesterday disclosed that the Ashbourne *stake* for which it spoke had been reduced below the 30 per cent. point at which full offers are generally triggered.

But who is the new owner of 5 per cent.? Crest says it left the name of the purchaser on the transfer slips blank. All agree that the shares have been registered in the name of Topview. Martin Rind, of accoun*tants Hillman Rind, acting for* Topview, accepts it has only just been registered. He agrees he is in "a messy takeover situation" *but is singularly unkind* about the City. "The Panel has no legal standing. They can only ask people to follow their rules. Let them get legal standing and people will listen to them."

Boothman's presentation

Derek Boothman was at the Edinburgh factory of Bernard *Wardle yesterday, inspecting* a new sheet plastics process and keeping in his pocket a copy of last week's letter to 1,000 com*pany chiefs from Michael Heseltine.* Conservative industry spokesman, on the need to modify annual reports and *accounts to give employees and* the public a clearer notion of capitalism's benefits.

Boothman is at one with Heseltine's sentiments on information, but reckons the slant may still be off-beam with its concentration on the problems of presentation of profit—"That's given far too much importance." Boothman, 43, *who has been chairman of the* accountants' working party which spent nine months preparing a report on financial information, talks about the importance of "other indicators of performance."

His group dealt to a large extent with "non technical" matters, but the next important word from the accounting world will be strictly on technique with the long-awaited publication next month of the Sandilands report on *inflation* accounting.

Boothman's career has been entirely with the Manchester accountancy firm of Binder Hamlyn Singleton Fabian and its predecessors. For the past *four years, he has also been non-*executive chairman of Wardle. And it was with that company *that Boothman's determination* to be abreast of the accounting evolution showed through early. Two years ago, Wardle became the first company to follow the accountancy profession's pioneering ideas on inflation accounting, on which Sandilands will finally pronounce.

The essential point was that on the orthodox basis, Wardle's pre-tax profit for 1972 was shown as £696,000 on turnover of £7.5m., but on the adjusted "current purchasing power" basis, profits were £540,000 on £7.75m. Recession was to follow, unfortunately, and the latest *results (on an ordinary basis)* show half-year profits down to only £29,600.

Boothman's colleagues on the working party include at least one rebel now apparently safe in establishment hands. Professor Edward Stamp, a Canadian, campaigned noisily in the late sixties for accounting reform, when the Pergamon/Leasco *affair and the matter of AEI's* suddenly vanishing profits under new GEC management cropped up. Among those he seemed to annoy was Sir Ronald *Leach, then President of the* English Institute of Chartered Accountants, who went on to oversee a wide-ranging investigation of standards with chairmanship of the Accounting Standards steering committee to which Boothman reported. Leach and Stamp got on to the same side eventually, Stamp becoming director of the international centre for research in accounting at Lancaster.

"Now the Test series is ruined everyone is reverting to black and white for the PM's broadcast!"

La view Parisienne

If the break-up of both the *weather* and the Test *match* wicket have got you down then take a little heart from the latest International Letter pub*lished in Paris by a lady with* the delightful name of Danielle Hunnebelle. The 100 or so French industrialists who subscribe around £1,000 a year for Miss Hunnebelle's opinions are informed in her August offering that "Britain is awakening." Further, "It will become an advanced technological society, but will by-pass the harsher *features of super-industrialisa*tion, which it abhors." (In passing, we are a nation "which is the most commonsensical and civilised in the world, despite its extraordinary conservatism and unworldliness.")

But bad news for the Celtic nationalists: according to Miss Hunnebelle direct rule from Westminster will continue in *Ulster* while "Wales is also too weak to secede. Most Welsh miners will remain loyal to the Labour Party." The challenge of Scot Nats is taken more seriously but Miss Hunnebelle avers, "I don't think that Scot*land will secede in the foreseeable future.*"

Observer

هكذا من الاصل

Ulster's 'peace lines' to halt gun law

From GILES MERRITT, Belfast, August 19

IN ULSTER it is now increasingly difficult to see the woods for the trees for the smoke. Sectarian aggression has flared into open conflict, deaths and casualties in ten days have accelerated to levels not seen for three years and the Secretary of State, Mr. Merlyn Rees, is clearly being forced towards a military-style crackdown in complete contrast to everything he has worked for since his appointment 18 months ago.

The situation is serious, but behind the smokescreen of incident reports Ulster nevertheless is in the throes of searching for a political solution. Negotiations between the senior representatives of the political parties of both sides are nearing their climax. It could be that the spiralling violence will eclipse any deal they can reach—gun law has a way of making the democratic process redundant—or it could be that the threat of a return to civil chaos is inducing a new flexibility in both Loyalist and Catholic positions.

Postponed

Northern Ireland's constitutional Convention was to have reconvened to-day for its crucial session. Its 78 members should have trooped up the long hill to Stormont's sugar-white parliamentary buildings and filed into their specially adapted "aggro-reducing" semi-circular benches to debate a new system of devolved Government that would finally replace the bullet with the ballot. But last week the Convention's scheduled meeting was postponed, probably for a fortnight or three weeks. At first sight it might appear that Ulster's politicians have no sense of urgency. In fact the delay was designed to allow extra time for the vital inter-party talks that must first agree a formula for a new constitution and present it as an agenda for the Convention to debate.

That the inter-party talks, which are chiefly between the UUUC Loyalist coalition and the Catholic SDLP, needed more time was good news. It meant that the negotiators had still not reached impasse. The senior politicians involved in the talks have even let it be known that the atmosphere of co-operation and the "constructive spirit" that has emerged may presage success.

Certainly, the two main three-men teams, led by Vanguard party chief Mr. William Craig on the Loyalist side, and Mr. John Hume for the SDLP, have taken every precaution against the talks being sabotaged by their own hard-liners. A rigid secrecy of a kind quite foreign to Northern Ireland politics has been agreed by all participants and their backbenchers have so far been given only limited and reassuring briefings.

When it became clear last week that the inter-party talks would not come up with a worthwhile agenda by to-day's deadline, it was first thought that the parties might pay lip service to the Convention's schedule by allowing it to meet, hold a debate on some harmless subject and then adjourn to resume the top-level negotiations. In the event, they decided against that for fear that outspoken extremists on both sides would undo what little had been achieved.

Despite all these encouraging signs, quite a few senior politicians now realistically assess the odds on success as being no more than "sporting"—that is to say, 5-4 against. And after six years of a crisis that has seen political solutions doomed to failure it is not hard to be sceptical.

The gulf between Catholic demands for a power-sharing role at Cabinet level with reference to the Irish dimension in any new constitution and Loyalist stubbornness that in a democracy the elected majority rules alone remains as wide as ever. No amount of talking is likely to get either side to shift too far from their respective positions. Mr. Brian Faulkner remains a living reminder of what can happen to moderates.

But before the inter-party talks first opened on August 8 senior Loyalist sources confided their intention to propose a compromise move that at least demonstrated their willingness to concede a degree of real power to Catholic representatives without prejudicing their ideological refusal to admit "anti-partition" supporters to the ranks of Ulster's Cabinet. The scheme centres on the setting up of powerful municipal authorities that would control such areas as housing, education and industrial development. The proposed new bodies would be so autonomous as to "parallel" the Stormont Government, and in Catholic enclaves of Northern Ireland they would be the guaranteed preserve of Catholic politicians. In charge of those three key sectors, the councils, in effect, would be responsible for the reconstruction of Ulster and could ensure equal privileges and opportunities for members of the Catholic minority.

Whether or not the plan is being actively discussed at the talks has not been revealed. It could be that the proposal headed the agenda when the

Heading the two main teams in the crucial inter-party talks are Mr. William Craig, on the Loyalist side (left), and Mr. John Hume (right) for the SDLP. They have taken every precaution against the talks being sabotaged by their own hard-liners.

UUUC and SDLP sat down for the three-day marathon session that began to-day in a Stormont committee room. Equally, it could be that the idea has already been dismissed by the SDLP team as little more than a Loyalist gambit to duck the power-sharing issue once again. There are, too, a number of other compromise plans that are also expected to come under review, however briefly.

As the two teams touched gloves this morning, at the start of a sparring bout that could last a fortnight, they were also believed to be planning an exchange of documents, outlining further schemes.

Armed, it seems, with mutton-dressed-as-lamb proposals that give a new look to old ideas, both sides are attempting to extend their positions in the hope of meeting in the middle. The SDLP has renamed power-sharing, so that old bugbear is now called collective responsibility. And the Unionists will try to duck the charge of monolithic majority government by suggesting a three-man Cabinet of Loyalists.

To be responsible for constitutional and security questions, it would have, beneath it, eight executive committees whose membership would reflect the parties' numerical strength in the Convention. Thus the UUUC coalition parties would control three, as would the SDLP with one each going to the centrist Alliance Party and Mr. Brian Faulkner's UPNI.

Leaving aside the avenues they still have to explore, the negotiators are now running out of time. While they cannot go to the Convention with anything other than a resonably surefire scheme—unless they are prepared to see it break down almost at once, and in the present climate it would probably end acrimoniously—they cannot waste a single day for fear of being eclipsed by the gunmen of the para-military organisations.

Mr. Merlyn Rees clearly intends to give them as much of a breathing space as possible. With his emergency communique last Friday he made it plain that he intends to contain this present wave of violence with a tight security clampdown and, if necessary, the internment of suspected terrorists "whatever their affiliations" and whether their parent organisations "are proscribed or not." That was an unequivocal warning that the Republican IRSP as much as the Provos, and on the Protestant side the UVF and UDA, can expect the security forces to adopt pre-emptive tactics.

Outrages

Mr. Rees's tough new stance will, he hopes, have an effect on the current sequence of murderous tit-for-tat sectarian outrages. His real problem, however, is taking the heat out of the community conflict while keeping the delicate Provisional IRA ceasefire alive for as long as possible. Top priority goes to preventing the massive IRA terror campaign in Britain that an end to the truce would almost certainly bring. The view that Whitehall is thinking first and foremost of peace at home, with Ulster violence a secondary consideration, sounds cynical but that is what many people in Northern Ireland believe.

With much practice of political tightrope walking, Mr. Rees even managed in his "get tough" statement late last week to give the Provos a pat on the back. The level of their activity, he said, had dropped of late and it was the IRSP and UVF who were now the chief culprits.

At the same time, the paramilitaries on both sides are gearing up for a new bout of open warfare. Republican and Loyalist extremists fear that the Convention, against all predictions when it was elected in early May, may be successful and they are now readying themselves to fight a political pact that would compromise both their inflexible demands. The Provisional IRA's ruling Army Council appears to be playing down reports that a concerted offensive is due soon, but the two Provo Brigades in Armagh and three in Belfast are believed to be dangerously restless.

On the Protestant side, organisations like the UVF and UDA are thought to be stronger and better equipped than ever. Bank raids and armed robberies are now running at around six daily, mainly in Protestant areas, and the general conclusion is that they are "contract jobs" for the private armies. The system is that the bandit keeps half of the haul and the remainder goes to the organisation's war chest. Just how powerful the gunmen now feel themselves to be can be gauged from the calculated impertinence of the UVF's ulitmatum to Mr. Rees that unless he calls off the ceasefire by Thursday (although it is not his to end, but the IRA's) they will "invade" Catholic strongholds.

Lukewarm

The official IRA's 48-hour-old appeal to the paramilitary private armies to take part in an emergency summit to end the killings has received only lukewarm responses from the UVF and UDA, while the Republican militants have remained ominously silent. Northern Ireland's endless guessing game continues to confound the most expert observers. Indeed, Ulstermen view its now predictable unpredictability with a wry pride. This week may see either Protestant paramilitaries carrying out their threat to overrun the "peace lines" or a breakthrough by the politicians.

But with Ulster's three-day lull broken this morning by another sectarian bombing in a Catholic district and a shooting, the only certainty is that the cycle of violence is once again free-wheeling faster and faster downhill.

Letters to the Editor

BLMC's need for capital

From Mr. K. Pakenham.

Sir,—British Leyland exhibits the highest value added per pound sterling of fixed assets of any major motor company in the world (£2.31p value added per £1 of fixed assets). The company also has the highest gross output per unit of capital (£7.11p gross output per £1 of fixed assets). Both figures are directly derivable from the table presented (*August 13) in the article* by Terry Dodsworth about the Parliamentary Committee's rider on the Ryder Report.

That British Leyland heads the world league table in this regard bears witness to the extremely labour-intensive means of production. It results from the writing down of capital values over a period of time and the absence of new investment. The *obvious solution is substantial* new capital injection.

Perhaps the division of value added between labour and capital (wages and profits) required by trades unions' leaders makes such new investment unjustifiable by market criteria. Perhaps new capital injection will exacerbate the overmanning problem which no doubt exists.

None the less, the facts quoted destroy the simplistic argument that British Leyland is the least efficient car manufacturer in the world and should therefore not receive further public funds.

Kevin Pakenham,
11, Bromfield Street, N.1.

Car market shares

From Mr. G. Peters.

Sir,—I would like to confirm the theory advanced by Terry Dodsworth (August 14) for the high share of the car market taken by importers in the first 12 days of August.

The vast majority of importers' sales are to the private sector while British manufacturers still command 90 per cent. or more of the company car market. Our data show conclusively that the reason for August being the top sales month of the year is almost wholly that *private* buyers "bottle up" their purchases to get the new suffix. In the company sector cars are replaced after x-miles or after y-years and purchases are distributed very evenly throughout the year.

Thus all other things being equal importers' highest shares will *always* be achieved in the first few days of August. The high stock levels of importers (particularly the Japanese) also enables them to profit from the bunching of sales that occurs at this time.

The continuing high level achieved by importers is of course a cause of great concern to the British industry, but it would be wrong for anyone to argue an escalating trend as a result of the latest figures. Those for September will be nearer the mark.

G. R. E. Peters.
Research Surveys of Great Britain.
Broadway House, The Broadway, S.W.19.

Exchange controls

From Mr B. Lewis

Sir,—While it must seem clear to the Government that funds should be stopped from leaving the U.K., the other side of the coin is forgotten, namely that controls hinder funds entering the U.K.

I recollect that when I first went overseas I automatically transferred my savings to my U.K. bank until it was pointed out to me that as a U.K. citizen I could not easily transfer them overseas again. On my return all my dollars were converted to pounds, but am I or the U.K. better off because I was forced to do so? Two hundred thousand U.K. citizens resident overseas with say £25,000 of savings each—not an impossible figure—implies £5,000m. denied to the British Government because of stringent exchange control regulations.

The rules themselves are obscure and my experience is that the average bank is only equipped to handle exchange control problems of the resident citizen. For those who travel widely and remain resident overseas periodically for years at a time the rules are complicated, and difficult to obey to the letter because so much remains at the discretion of the Bank of England. For those who work overseas periodically but who do not intend to emigrate the legal position is confusing especially as the definitions of residence, domicile, exchange control, tax, etc., do not normally coincide.

The question must be asked why is it necessary for a Government to deny permanently to its citizens the right to hold funds overseas unless it is that its own policies permanently make the attractions of other countries appear overwhelmingly appealing? The actions of the Government and Treasury seem powerfully to support the view that overseas investments and funds are preferable to U.K. ones when the exchange control regulations are everlasting.

The arguments in support of exchange control have been in existence so long that the *Government and the Treasury* must believe them to be self-evident. I would like to suggest that permanent restrictions raise psychological barriers to trading internationally and may account partially for the relative decline in the U.K. share of world markets, and that private citizens cannot develop a wide ranging and intimate knowledge of the world if the ability to deploy *their funds is circumscribed* by obscure and discretional rules that are permanent in nature.

B. A. Lewis.
53, Matlock Way, New Malden, Surrey.

Too easy to steal

From Mr. T. Kennedy.

Sir,—The letter from Mr. D. H. Preston (August 14) in which he asked whether "shops openly displaying goods should be held responsible for people shoplifting" is not so ridiculous as he seems to think.

In the early 1920s, when Woolworth first expanded its activities in the London area, it *introduced open-shelf counter* display in the stores with the result that the South Western Police Court was flooded out day after day with people of all ages charged with stealing from Woolworth. The result of this epidemic was that the senior magistrate—Claude Mullins—stated that if he had anyone else before him for stealing from that store he would have the manager brought before him and charged with being "an accessory before the fact" and deal severely with him as he considered the method of display an incitement and encouragement to people to steal. Woolworth's directors took that warning very seriously and had glass placed over the front portion of the counter displays and introduced the system of bagging goods before handing them over to the purchaser.

Perhaps if the magistrates at Marlborough Street Court gave a similar warning to West End store owners we would see more sales assistants and less store detectives—but even more important the stores would benefit by greater profits and the police would be relieved of a most unpalatable task. One has only to read reports in the Press about the amount of money found on "shoplifters" and the social standing of many caught to know that the method of display and lack of sales force is responsible for 95 per cent. of the stealing from shops and stores.

T. M. Kennedy,
22, Holly Road, Hounslow, Middlesex.

Read all about it

From Mr. J. Rowell.

Sir,—It is doubtless very nice to be able to see international sports as they happen but I am sure it would be no hardship to do without. I am equally sure that *the world Press will be unable* to resist spending millions sending thousands of sports writers to Canada for the Olympics, so we all get to know what happens in the field and on the track. I would imagine the BBC will have no difficulty in spending the money saved.

In any event as I have the impression that we are not too well off in this country I wonder how high in the list of priorities expenditure on Olympic Games ought realistically to be put.

J. R. Rowell.
Cherry Cottage, 29, Chipperfield Road, Kings Langley, Herts.

Rejoining the 'snake'

From Mr. W. Grey.

Sir,—There have been one or two smoke-signals from Whitehall of late suggesting that Britain might consider rejoining the "snake" of jointly floating European currencies in some shape or form before long. Of course, as your Common Market Correspondent, who picked them up, has pointed out (August 14), Britain cannot think of "fully" doing so "in the immediately foreseeable future."

But just as there can be no smoke without fire, so the thought sometimes counts more than the deed, and on this occasion would doubtless be reciprocated. After all, the status quo has proved as much of a mixed blessing to us as would to all concerned, of whom we are now firmly one, a European Community permanently split down the middle.

Let the Chancellor therefore come clean and openly declare to our European partners at the first opportunity—which will be the EEC Finance Ministers' meeting in Venice later this month—that we intend to realign our currency with theirs as soon as *we and they are ready to take the* strain.

W. Grey.
12, Arden Road, Finchley, N.3.

Floating rates

From Mr. G. Chowdharay-Best.

Sir,—In reply to Mr. Trigwell (August 18) I think it is simply unrealistic to assume that a Government of any political complexion can in effect abdicate all responsibility for maintaining the value of its currency by allowing completely free floating at international level. The search must be for a method which combines the advantages of floating with a measure of stability which alone can ensure expansion of trade and exports for the future.

If Governments since the war had concentrated on trying to create such a climate instead of so frequently dissipating their efforts in trying to intervene, all too often unsuccessfully and disastrously in the economy by nationalisation measures and the like, then we *might* have achieved higher levels of growth. But it is *equally* possible to argue that if an economy is going to grow, it will probably do so anyway, whatever the Government does. If the boom and recession since the war have been caused, as some economists argue, by factors outside the control of Governments, then any subsequent recovery will again not be significantly affected by any actions they may or may not take.

Nevertheless, the fact remains that private industry is on the whole more efficient than nationalised industry and on this point we may perhaps agree that Government intervention has done some harm.

G. Chowdharay-Best.
174 Clay Hill Road, Basildon, Essex.

Monetary gains tax

From Mr. L. Clark

Sir,—One must welcome the appearance of Sir Norman Price, chairman of the Board of Inland Revenue, in your correspondence columns (August 12). In asserting the legality of the 1972-73 surcharge on *surtax in answer to* Mr. Holder's doubts on that score, it may be felt that he is usurping the role of the Court of Appeal to which correspondents of Mr. Holder, to judge from his letter of August 8 intend to refer the matter.

It is too much to hope that he will cease to administer the un-Parliamentary tax which results from taxing, as capital gains, the monetary gains which result from inflation? It is a simple matter to extrude, by indexing, the monetary gain which in a time of inflation increases every gain and reduces every loss on a long-term capital transaction. Most if not all the take of the long-term (over one year) gains tax consists of this tax on monetary gain. I call it unparliamentary because this distortion of the long-term capital gains tax cannot have been foreseen in 1965, when the tax was imposed.

Inspectors, pressed on this point, can do no more than refer back to the case of Secretan versus Hart, 1969 (45TC 701). Inflation was running at 5.35 per cent. when this judgment was given. Present Revenue practice seeks to combine a 30 per cent. CGT with a near 30 per cent. rate of inflation. The rate has trebled since 1973, when Sir Norman was appointed chairman.

Laurence Clark.
6, Temple Gardens, Moor Park, Rickmansworth, Herts.

Unemployment figures

From Mr. D. Liss.

Sir,—If a senior fellow at the Institute of Manpower Studies, University of Sussex can go to the trouble of writing a long letter (August 12) without attacking the view that students on summer holidays and pensioners who choose to obtain unemployment benefit should therefore be regarded as unemployed, heaven help those students of his whose thinking processes he helps to shape.

David Liss.
49, Dale Street, Chiswick, W.4.

Reduced P.O. collections

From Mr. R. Hobbs

Sir,—Mr. Grey (August 16) suggests that P.O. collections should be radically reduced except in city centres. I assume that Mr. Grey considers that he lives in such a privileged area.

If I post a 7p stamped letter in Kyle of Lochalsh or Trebetherick why should I not receive the same *service* as that afforded to Mr. Grey posting his letter in Finchley?

R. W. C. Hobbs
Cobbles, Windlesham, Surrey.

Owners of the company

From Mr. A. Kaufmann.

Sir,—Mr. P. D. Liddiard (August 12) replying to an earlier letter on the subject of trade union directors quite rightly differentiates between executives and directors. He is, however, absolutely and utterly wrong in his assertion that "Far from the directors being 'employees of the company' they are under current British law collective owners." Even the most elementary study of company law shows that directors are no more than agents, and to some extent trustees of the company. To ignore the existence of shareholders as the owners of the company might suit the ideology of certain politicians but—fortunately—it is not British law.

A. E. Kaufmann.
Pinners Hall, Austin Friars, E.C.2.

Anachronistic company law

From Mr. M. Greener.

Sir.—The present state of company law and structure is anachronistic. This was the point that I tried to make in my letter which Mr. Liddiard (August 12) finds so unacceptable. If I failed to make this point then the fault lies in attempting to encompass a wide subject in so short a space. Mr. Liddiard accuses me of being unfamiliar with the precise role of directors. I fear that he clings anxiously to an out-moded concept of company structure which, though popular in the nineteenth century, was even then unsuitable to the needs of the economy.

M. Greener.
9 Romilly Park, Barry, Glamorgan

Stretching the imagination

From Mr. B. Jose.

Sir,—Reproduction, in your paper (August 4) of a British Airways poster advertising the Poundstretcher fares reminded me of how misleading this campaign is, and your readers may like to be warned. Reference to the brochures or advertisements would lead one to believe that, providing a booking is made and the fare paid two or three months in advance, a low price is available.

When I tried to book five months in advance I was told there were no seats, so I changed the date and got the same reply. On investigation I was informed that only a few seats on each flight were allocated to Poundstretcher fares, commonly 10 per cent., though on one of my intended dates only five seats on a Boeing 707 were so allocated.

If any other organisation advertised a product at a heavy discount but had only a derisory number of articles for sale at that price it would no doubt be accused of sharp practice. The best that can be said of the Poundstretcher campaign is that it hardly seems like truth in advertising.

B. G. Jose.
"Crosspoints," Beccon Road, Ditchling, Sussex.

To-day's Events

GENERAL
Prime Minister makes nationwide television broadcast to launch Government's anti-inflation publicity campaign.
TUC General Council meets, London.
Dr. Henry Kissinger, U.S. Secretary of State, arrives in Jerusalem to begin negotiations for interim peace agreement between Egypt and Israel in Sinai peninsula.
United Ulster Unionists and Social Democratic and Labour Party continue private talks prior to deferred meeting of Ulster Convention in September.

OFFICIAL STATISTICS
Basic rates of wages and normal weekly hours (end-July).
Monthly index of average earnings (June).

COMPANY RESULTS
Dixons Photographic (full year).
Pye Holdings (half year).
Tube Investments (half year).
Wallis (F. J.) (half year).
Woolworth (F. W.) (half year).

COMPANY MEETINGS
Chesterfield Properties, 1, Avery Row, W., 11.
Cox (H.) (Plant Hire), Winchester House, 100, Old Broad Street, E.C., 12.
L.C.P., Birmingham, 12.
Swan (John), Edinburgh, 3.

MUSIC
Henry Wood Promenade Concerts: BBC Scottish Symphony Orchestra (conductor Christopher Seaman), with Jane Manning (soprano) and Walter Klien (piano) perform Debussy's Iberia, Mozart's piano concerto No. 14 in E flat major, Maxwell Davies' Stone Litany, and Elgar's Enigma Variations. Royal Albert Hall, London, 7.30 p.m.

CRICKET
Gillette Cup semi-finals: Derbyshire v Middlesex, Chesterfield. Lancashire v Gloucestershire, Old Trafford.

COMPANY NEWS + COMMENT

TDG falls by £1.42m. at half time

PROFIT BEFORE tax of Transport Development Group in the first half of 1975 declined from £7.02m. to £5.6m. For all 1974 it was a record £13.56m.

The directors say that with the economy in its present precarious state it is not possible to predict the outcome for the current year but "trading to date has continued at a satisfactory level."

Earnings in the first six months are shown to be down from 2.88p to 2.35p per 25p share. The interim dividend is 0.9375p net (same). Last year's total was 2.674p.

The continuing policy is to seek growth through acquisition and it is likely that present conditions will lead to increasing opportunities in that direction, say the directors.

Meanwhile, it is a question of conserving resources and ensuring that the organisation is lean and fit, they add.

	Half-year 1975 £000	1974 £000
Turnover	61,946	56,991
Depreciation	3,641	2,942
Loan interest	625	575
Profit assets sales‡	241	247
Profit before tax	5,604	7,022
U.K. corporation tax	1,723	1,737
Overseas tax	463	577
Tax equalisation	436	1,104
Total tax	2,622	3,418
Net profit	2,982	3,604
Minorities	108	88
Attributable	2,874	3,516

‡ Other than properties.

Increased profits were earned in the half year by the warehousing and cold storage companies, but the deepening recession has inevitably affected the results of the road haulage and the reinforcement undertakings. The wide functional and geographical span of the group is a source of much strength in current circumstances, says Mr. James Duncan, the chairman.

● comment

Transport Development's fortunes have been slipping drastically over the past year, with a first-half pre-tax shortfall following on a nil growth situation in the second six months of 1974. Once again the road haulage side, where profits are down by some 30 per cent., has been the cause of the problems: elsewhere the warehousing and cold storage side have held up well, thanks to the emphasis on food products, while the Australian activities are some 40 per cent. to the good. With the depression biting deep into industry the prospects for road haulage look pretty grim but, with 70 per cent. of sales flowing from specialist vehicles and long-term contracts, TDG is better placed than most. That, together with the strong balance sheet, is sufficient support for the shares at 42p, where the yield is 10 per cent.

Wood & Sons upsurge

Earthenware and packaging material manufacturers, Wood and Sons (Holdings) reports first half 1975 sales up by 42 per cent. to £1.47m., and an increase of 54 per cent. to £163,000 in pre-tax profits—only slightly short of the £185,520 for the year 1974.

Having regard to a very healthy order book the directors are confident that the figures for the whole of 1975 will show increased progress over 1974, says Mr. H. Francis Wood, chairman.

	Half year 1975 £000	1974 £000
Group sales	1,468	1,034
Operating profit	242	167
Depreciation, etc.	79	61
Profit before tax	163	106
Taxation	85	55
Net profit	78	51

Ofrex down by 23% in first half

DUE TO escalating costs and reduced demand on factories pre-tax profit of Ofrex Group, which makes office supplies, declined by 23.5 per cent. to £1.03m. in the first half of 1975. Profit in 1974 was a record £2.71m.

In the first quarter of 1975 business generally started well but the second three months suffered a greater-than-expected downturn.

While there are some small indications that a recovery might be in sight the chairman, Mr. G. Drexler, believes that the downturn is not temporary. He estimates that trading conditions in the second half "will be at least as difficult as the first half."

To cope with reduced demand and escalating costs, the work force in the U.K. has been reduced from 2,386 as at December 31, 1974, to 1,982 at June 30, 1975. "Because we were able to do this without impairing overall efficiency we are in a position to expand when conditions improve," he adds.

The interim dividend per 20p share is up from an adjusted 0.98p net to 1.05p. The 1974 payment totalled an adjusted 2.7083p.

Direct exports and the sales of overseas companies increased by 21.5 per cent., while home sales increased by 4.3 per cent. Profit from export business and overseas earnings is now running at 33.4 per cent. of the total, compared with 30.3 per cent. for the whole of 1974.

● comment

Ofrex, engaged in office supplies, was on the cards for a downturn as a result of lower industrial and commercial activity, but it would appear to have been hit harder and quicker than expected. The first quarter moved ahead "remarkably well," but destocking by retailers in the closing months of the period took the steam out of sales in the U.K. overseas business, despite varied responses from different markets, generally held up quite well, but this may just be a delay in the recession. Anyway, destocking by retailers, which has been the main symptom, cannot persist indefinitely and the group is feeling the first, if tentative, signs of a recovery pattern in orders. Even so, the market capitalisation of £7m. at 55p will have to await 1976 to see if cost-cutting combined with the expected recovery pays dividends; in the meantime any upward rerating is unlikely.

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INDEX TO COMPANY HIGHLIGHTS

Restmor turns in £420,607

GROUP PRE-TAX profit of Restmor Group, which makes baby carriages and nursery furniture, increased from £407,365 to a record £420,607 in the year to April 30, 1975, after £239,388 (£199,000) for the first half.

Stated earnings per 25p share are down from 13.05p to 12.38p for the year and a final dividend of 3.1288p net lifts the total from 3.73073p to a maximum permitted 3.9663p.

	1974-75 £	1973-74 £
Turnover	4,096,449	3,818,905
Profit before tax	420,607	407,365
Tax	211,510	191,610
Profit after tax	209,098	215,753
Dividends	68,203	61,661
To Feb. red. res.	3,490	3,490
Retained	137,393	150,602

● comment

As seemed likely at the halfway stage, Restmor has suffered a volume decline in the second six months of 1974-75 with profits 13 per cent. lower leaving the annual pre-tax level only marginally higher. The continuing decline in the national birth rate must have played an important part in second-half downturn but the pace of the decline probably owed more to the sudden switch by many parents to second-hand baby goods. Mothercare, the group's major customer, taking over two-fifths of total output, has recently announced that its first-quarter 1975-76 sales have risen by 22 per cent., which could mean that Restmor is now beginning to see an improvement in sales volume itself. However, with the group still heavily involved in what is certainly a contracting market, the cautious attitude of the shares, yielding 15.7 per cent. at 42p, is understandable.

Upturn at Martin Ford

Turnover for the half-year to May 31, 1975, of Martin Ford rose by 21 per cent. and pre-tax profits by 13 per cent. to £512,629.

The company—retailers of ladies' separates and outerwear—is expanding steadily through the acquisition of new trading units and the continuation of the branch modernisation programme.

The directors are optimistic that the company's turnover and profits will continue to improve in a satisfactory manner, despite the difficult national economic climate. Profit for the year to November 30, 1974, was £951,768.

Stated earnings per 10p share increased from 1.68p to 1.9p for the six months and the interim dividend is raised from 1p to 1.1p net. Last year's total was 2.1076p.

	Half year 1975 £	1974 £
Sales (including VAT)	2,154,788	1,785,350
Profit before tax	512,629	454,550
Taxation	274,707	244,997
Net profit	237,922	209,553
Dividends	137,500	125,000
Retained	100,422	84,553

● comment

In common with some other companies in the ladies' outerwear sector, Martin Ford has found that sales have proved fairly resistant to pressures on consumer spending, and, even though sales volume is roughly unchanged, this contrasts well with, say menswear, one of the first sectors to suffer from spending cutbacks. The summer lines have sold extremely well, and the current three months' turnover is expected to exceed that of the period under review, an exceptional trend even for this time of year. So, even with something approaching £1m. in cash, Ford is resisting what were thought to be earlier temptations to move into other areas of clothing, such as menswear. In fact, expansion has been limited to two new units during the period with another two scheduled to open in the current half. This "holding back" attitude may not stimulate the share price, but the group is confident enough, with a share price of 31p backed by almost 8p of cash and a maximum prospective yield of 11.9 per cent.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corresponding div.	Total for year	Total last year
American Trust ......int.	0.42	Oct. 6	0.42	—	1.35
Anglo-Internation Trust int.	0.7	Sept. 30	0.7	—	2.6
Arbour Court Inv.	Nil	—	0.35	nil	0.35
Attock Oil Co.	4.2	Jan. 14	4.2	4.2	4.2
British Land	Nil	—	nil	—	0.88
Peter Brotherhood	4.06	Sept.25	4.19	5.69	5.86
Capital & National	2.25	Nov. 26	2.1	3.25	3.1
Capital & National ...int	1.0(f)	April 8	1.0	—	3.25
Cons. Diamond ......int.	200(g)	Oct. 31	200	—	550
Horace Cory ......int.	0.22	Oct. 3	0.21	—	0.64
De Beers Industrial ...int.	22.5(g)	Oct. 31	22.5	—	57.5
Direct Spanish Telegraph int.	1.05	Sept. 30	1.05	—	3.8
First Scottish Trust ...int.	0.7	Oct. 1	0.7	—	2.2
Martin Ford ......int.	1.1	Oct. 10	1.0	—	2.11
Heron Motor	1.35	Oct. 1	1.24	2.63	2.52
S. Hoffnung	2.19	—	2.2	3.44	3.25
Houchin	2.0	—	2.0	2.0	2.0
Leopold Joseph Inv.	0.8	Oct. 3	1.05(c)	1.15	1.4
McKay Securities	0.7	Oct. 2	0.7	1.4	1.4
Ofrex Group......int.	1.05	Oct. 30	0.98*	—	2.7*
Restmor Group	3.13	Oct. 9	2.86	3.97	3.73
Royal Insurance ......int.	5.3	Jan. 2	5(d)	—	12.54
Sedgwick Forbes ......int.	3	Oct. 3	—	—(a)	7.32
Singlo	0.78	—(e)	0.14	0.78	0.14
Slater Walker Secs.	2.7	Jan. 8	2.45	—(b)	5.26
Thurgar Bardex ......int.	Nil	—	0.3	—	0.52
Transport Development int.	0.94	Nov. 7	0.94	—	2.67

Dividends shown pence per share net except where otherwise stated. * Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. (a) Forecast 7.81p with final of 4.81p. (b) Maximum permitted total intended. (c) Included 0.35p bonus. (d) First and second interims of 2.5p. (e) Payable when directors consider funds are available. (f) For current year to July 31, 1976. (g) South African cents.

Brotherhood produces £439,098

IN LINE with the midway forecast of not less than £0.4m., taxable profits of Peter Brotherhood came to £439,098 for the year to March 31, 1975, compared with £552,064 for 1973-74.

As promised the final dividend is 4.0625p making 5.6875p against 5.8625p net — equal to 6.25p (same) gross.

Tax absorbs £221,485 (£353,000) leaving £217,613 (£351,414 including £52,350 surplus on sale of property).

Total Ordinary dividends and Preference dividends take £185,509, excluding advance corporation tax (£191,021, excluding advance corporation tax on Ordinary dividends only) leaving profit retained of £32,104 compared with £160,393.

The group manufactures machinery and power plant.

● comment

Peter Brotherhood's pre-tax profits, although 10 per cent. higher than the minimum level indicated at the interim stage, are still a fifth lower on the year. The decline is entirely due to interest charges; component shortages, following the three-day week, boosted work-in-progress within the group's 12-18 month production cycle and hence bank ovedrafts. But fundamentally the problem has been inadequate volume and margins, which the company is hoping to remedy by a 3-year £2m. re-equipment programme. Currently the group is very busy with over half its sales destined for overseas markets and a reduction in work-in-progress should help cash flow in the current year. The group's products, headed by steam turbines and compressors, are certainly in the right neck of the woods. Despite take-over rumours, the shares at 58p are nearly a fifth off the year's peak and yield 17.9 per cent. covered 1.18 times on a p/e of 7.3.

Manordale widens range

In a statement accompanying preliminary figures of Manordale Group announced Saturday, the chairman states that in view of the weak outlook for sterling and the possibility of the introduction of import controls, it has been decided to reduce the vulnerability of the group's profits.

This will be effected by expanding the existing sales base by the introduction of a wider variety of building and plumbing materials manufactured predominantly in the U.K.

The full benefit of this decision will not be felt until a revival occurs in the building industry, but the chairman reports that this side of the group's activities has already contributed to group profits.

Following the rise in the Stock Market in the early months of 1975, a review of the portfolio of quoted investments was made. Substantial disposals were effected and the proceeds utilised, for the time being, in the building materials divisions.

The level of sales achieved last year is currently being maintained and the chairman hopes that the Government's anti-inflation policy will help to stem the continuing steep rise in overhead expenditure.

Thomas Marshall

A GOOD start in most sectors has been made by clothing manufacturers, Thomas Marshall Investments, in the current year.

In other sectors, however, profits are below a satisfactory level.

The group now has a profit potential well above the level attained in the past year but whether targets will be achieved in the current year, or only later, will depend to some degree on economic factors outside the directors' control, the chairman adds.

As known group pre-tax profit for the year to March 29, 1975, was £1,149,000 (£1,133,000) and the dividend is 3.235p (2.98p) net. Second half profits were adversely affected by new factories taking longer than envisaged to become profitable, but they are now in profit and will make a contribution this year.

S. Hoffnung profit down £0.46m.

ON A turnover up from £69.3m. to £77m., group pre-tax profit of S. Hoffnung and Co. decreased from £3.38m. to £2.92m. in the year to March 31, 1975.

When reporting first half profit up from £1.36m. to £1.82m. the directors warned that the second half might not match the first half results.

Earnings per 25p share decreased from 11.52p to 9.06p. A final dividend of 2.195p makes a total of 3.445p (3.254p) net.

	1974-75 £000	1973-74 £000
Group turnover	77,010	69,304
Profit before tax	2,919	3,380
Taxation	1,430	1,659
Net profit	1,489	1,721
Minority holders	203	247
From reserve*	37	—
Balance	1,323	1,474
Retained	837	1,072

* After deducting extraordinary items £1,613,000.

● comment

Inflation and recession in the Australian economy have taken a sharp toll of S. Hoffnung's second-half profits which have dropped byq 46 per cent., to leave dropped by 46 per cent., to leave However, excluding G and M's net contribution (£135,000) and adding back holiday pay accruals (£207,000) and currency conversion deficits (about £250,000) the overall decline is 4 per cent. Consumer expenditure has apparently staged something of a recovery but this is unlikely to benefit the current half, although the Australian dollar has since moved in the right direction. As for finances, the group began the year with net borrowings of £2.8m. and net worth of £14.7m., but a net £777,000 has been written off reserves in respect of goodwill, £2.36m. of loan stock has been issued, and inflating stock values may have increased bank borrowings. At 75p the yield is 7.3 per cent. in line with other overseas traders, but the progress of the Australian economy must be the key factor for the share price.

Attock Oil advances to £0.6m.

TAXABLE profit of Attock Oil Company amounted to £599,789 in 1974, compared with £488,911, including £243,113 excess provisions from previous years, in 1973.

The comparable figures have been adjusted to the Pakistan government's formula of accounts and £385,677 receivable has been included in this year's pre-tax profit.

Stated earnings per £1 share are down from 5.7p to 4.8p and the dividend is 4.2p net (same).

The company states that in Pakistan, discussions with the government continue to make progress and it is hoped that agreement can be reached for the transfer of Attock's Pakistan assets to the subsidiary, Pakistan Oilfields, and for an improvement of prices for the group's production resulting in a higher level of profitability.

Through a new company shortly to be formed, Attock Oil Company (Ireland), a 10 per cent. interest has been taken in a consortium led by Ball and Collins for the current round of applications in the Irish sector of the South West approaches.

Sedgwick Forbes sees profit rise

FOR THE year 1975 so far at Sedgwick Forbes Holdings there has been a good increase in income at home and overseas.

And if present trends continue, and despite the problems caused by continuing inflationary pressures, the directors believe that year-end profit will show a "satisfactory increase," states Mr. I. H. F. Findlay, chairman, in his interim statement.

Interim dividend is 3p net. On the assumption that dividend total will be limited to an increase of 10 per cent. over the previous year's 7.32p the directors plan to propose a final payment of 4.81p, Mr. Findlay adds.

Fredk. H. Burgess tops £1.5m.

EUROPE'S LARGEST distributor of tractors and agricultural machinery, Fredk. H. Burgess reports turnover up by 22 per cent. to £37.32m. for 1974 and pre-tax profits of £1,587,518 compared with £1,446,505.

The final dividend is 0.62p net making the maximum permitted at a cost of £41,790 (£39,322).

Tax takes £855,202 against £719,267 and there are extraordinary debts of £568,461 (credits £197,537).

The extraordinary loss is made up as to a loss on sale of shares in Bamfords of £675,387 less a surplus of sales of certain land and buildings of £106,926.

The Bamfords shares were later repurchased and accordingly this investment is now valued at about its stock market worth rather than the historical value at which it was acquired.

Meeting of this public but unquoted company, Stafford, on September 27.

Standstill at Temple Bar

Temple Bar Investment Trust, an Electra House company, announces almost static earnings of £262,905, against £262,742, for the first half of 1975 before tax of £94,238 (£88,702). Gross revenue was £307,915, compared with £305,264.

Investments at market value at valuation on June 30 were £7.97m. (£4.68m. at end-1974), and net assets are given as £7.06m. (£3.80m.)—equal to 118p (65p) per 25p share, or 119p (72½p) fully diluted.

ISSUE NEWS

BRISTOL WATER

The Bristol Waterworks Company offer for sale by tender of such an amount of 9 per cent. Redeemable Preference Stock, 1980 as will produce the sum of £3m at a minimum price of £98 per cent. attracted applications for approximately £3.1m. of stock. The average price obtained was £98.05 at which price smaller applicants were allotted in full. Brokers to the issue were Seymour, Pierce and Co., and Hoare and Co. Govett. Dealings will start to-day.

RIGHTS RESULTS

Hanson Trust's rights issue of one-for-one at par, 25p, was taken up as to 97.4 per cent. The balance of 904,348 shares has been sold at 88½p per share for those shareholders entitled thereto who will receive 63p per share after deducting expenses.

McCorquodale's rights issue of two-for-seven at 128p per share attracted acceptance for 94.65 per cent. of the issue. The balance has been sold at a premium and will be distributed to shareholders.

SHORT-TERM LOCAL LOANS

The coupon rate on this week's batch of local authority one-year bonds has eased from last week's level of 11¾ per cent. at £99⅞ per cent. to 11½ per cent. at par. The bonds are due August 25, 1976.

This week's issues are:—City of Edinburgh District Council (£1½m.), City of Leeds (£½m.), City of Bristol (£1½m.), London Borough of Hillingdon (£1m.), London Borough of Merton (£1½m.), Dacrorum District Council (£½m.), Lothian Regional Council (£1½m.), Ynys Mon-Isle of Anglesey District Council (£½m.), London Borough of Newham (£½m.), West Dorset District Council (£½m.), Kirklees Metropolitan Borough Council (£½m.), City of Salford (£½m.), Horsham District Council (£½m.), Newark District Council (£½m.), Restormel Borough Council (£1m.), Cannock Chase District Council (£½m.), Hastings Borough Council (£½m.), City of Sheffield (£1½m.), Borough of Tamworth (£½m.).

British Land deficit up at £6.61m.

AN INCREASED deficit of £6.61m., compared with £0.4m., was incurred by The British Land Company in the year to March 31, 1975, after sharply higher interest charges of £17.65m., against £12m.

The revenue deficit attributable to members increased from £1.15m. to £7.15m., or from 2.6p to 16.1p per 25p share.

There is no dividend. For the previous year an interim—but no final—of 0.875p net was paid.

	1974-75 £000	1973-74 £000
TURNOVER		
Property income	11,184	8,545
Prop. sales (and provns.)	243	4,126
Fees and commissions	2,128	1,647
Retail sales	18,434	11,091
Interest and dividends	1,272	1,026
Industrial	6,739	12,300
REVENUE		
Property income	7,352	6,083
Prop. sales (and provns.)	*952	1,645
Fees and commissions	585	515
Retail sales	2,341	1,309
Interest and dividends	1,241	1,497
Share dealing loss	467	987
Industrial	944	963
Revenue surplus	11,042	11,605
Interest	17,652	12,003
Deficit before tax	6,610	398
Taxation†	371	385
Minority interest	168	190
Attributable deficit	7,149	1,153
Dividend	—	389
Debit balance	4,110	‡3,039

* Deficit. † Including £206,000 (£250,000) overseas. ‡ Credit.

Overseas contributions to turnover and revenue comprised Australia £1.562m. (£1.4m.) and £1.173m. (£1.29m.); Europe £2.52m. (£1.1m.) and £2.247m. (£0.938m.); United States £2.118m. (£1m.) and £0.95m. (£0.426m.).

The consolidated capital account shows a realised deficit attributable to members of £3.132m. against £0.326m. for the previous year, comprising realisations £0.548m. (£0.16m.), less rationalisation of a subsidiary £2.755m. (nil) and other debits £0.92m. (£0.342m.). The attributable realised deficit per share was 7.1p (0.8p).

Unrealised attributable capital deficit was £5.391m. (£0.438m.)—loss on realisations £1.408m. (£0.921m.), exchange fluctuations £2.286m. (£0.149m.) rationalisation of subsidiary £0.5m. (nil), and other deficits £1.197m. (credit £0.632m.).

At end March realised balance of capital reserve was £6.187m. (£9.319m.) and unrealised £34.131m. (£39.522m.). Total revenue and realised capital deficit was £10.281m. (£1.479m.) and total deficit per share 23.2p (3.4p).

The realised surplus of £0.543m. (£16,000) from properties comprised surplus over original cost £0.905m. (£0.736m.), less subsidiaries £0.373m. (£0.11m.) and including investments £11,000 (deficit £0.61m.). The unrealised loss on realisations of £1.408m. (£0.921m.) was represented by elimination of prior year revaluation surplus £1.805m. (£0.524m.) less subsidiaries £0.397m. (plus £0.397m. investments).

The provision of £2.75m. relating to rationalisation of a subsidiary represents the loss of the investment in and advances to Biba, arising out of the decision to rationalise that business.

Subsequent to March 31, it was decided that the trading activities of the Biba Group should be rationalised and substantially reduced. Consequently, its accounts have not been consolidated as in the opinion of the directors, it would be misleading to do so.

Management accounts of the Biba Group prepared on a going concern basis showed a pre-tax trading loss of £1.46m. which has not been dealt with in the accounts. Full provision has been made in the consolidated capital account for the loss of the investment in and advances to Biba amounting to £3.255m. This does not include an advance to one subsidiary of Biba which, in the opinion of the directors, will be recovered.

A report of the auditors states that the accounts have been prepared on a going concern basis, upon the directors' assumption that the further finance which the group requires to meet its commitments will be available.

The directors' assessment of the total value of the group's properties (other than those held as current assets), on a basis assuming a willing vendor and a willing purchaser, is £235m. compared with the book value of £288.4m. In the current state of property markets the auditors cannot comment on the directors' assessment, but if it were to be incorporated in the accounts the group's share capital and reserves would be reduced from £110.2m. to £56.8m.

Properties appeared as £288.41m. (£271.4m.) Against current assets of £22.66m. (£32.41m.) there were current liabilities of £72.01m. (£53.55m.). Net assets totalled £247.73m. (£262.2m.).

Funded debt amounted to £136.54m. (£133.55m.). Current liabilities included short term loans £18.28m. (£10.81m.), creditors £13.97m. (£13.52m.) and banks £38.83m. (£27.2m.).

Mr. John Ritblat, the chairman, points out that of the £72.2m. of mortgages and bank loans classified as repayable within five years only £11m. which includes specific development finance of £9.2m., is repayable in the first two years, £15.2m. in the third year and the *remaining £46m. in the fourth and* fifth years.

Much of the short-term borrowing was incurred to acquire properties on favourable terms with a view to making long-term funding arrangements when their potential had been realised. Even in the difficult circumstances of the last year substantial refinancing took place.

He stresses that the urgent requirement for additional capital cannot be ignored.

The directors point out that the continuing delay in resumption of normal volume in the property market has inhibited the determination of objective property values at a particular point in time. These conditions have also tended to cause significant fluctuations in indicated value over short-term periods.

Consequently they consider that the expense of a full-scale professional revaluation of the group's properties for incorporation into the group accounts remains unjustifiable at present.

Disposal of properties in the U.K. were not significant in the past year but have realised some £3m.

See Lex

MINING NEWS

De Beers is on the recovery trail

BY KENNETH MARSTON

FOLLOWING THE reversal experienced in the second half of last year, De Beers' profits are on the mend in line with world diamond sales handled by the Central Selling Organisation and, hopefully, with the better trend in economies of some of the world's major trading nations.

De Beers' group profits for the past half year to June 30 have recovered to R104.3m. (£69.3m.) from R80,481 in the second half of 1974, but they are still well down on the R120,833 earned in the first six months of last year. The impregnable dividend base is underlined with an unchanged interim of 8 cents (5.3p); last year's final was 17 cents.

The latest results reflect an extraordinary loss of R8.6m. which results from the fact that De Beers Botswana Mining—notably the big Orapa mine—has ceased to be a subsidiary now that the Botswana Government's equity stake has been raised to 50 per cent. De Beers group tax charge has been reduced by R13.3m. in the past half-year to R21.2m. as a result of a pay-as-you-earn tax system being introduced in South West Africa.

So what happens next to De Beers' earnings? The answer, taking present indications, is that they should continue to improve in the traditionally better second half of the year when the jewellery trade stocks up for Christmas. Demand for the large stocks of smaller gems of up to 2 carats continues to improve, although the bigger gems remain a slow market. In all, De Beers' net profit for the full year could come close to the 1974 total, but hopes of surpassing the 1973 record of R237.5m. must depend on what 1976 brings.

ROUND-UP

The tax battle in Canada goes on. The Anglo American group's Hudson Bay Mining has indicated that it will meet the Saskatchewan *Government's demand for potash* reserve taxes providing that the latter agrees to return all such payments with interest if the courts rule in favour of the company in an action which Hudson Bay and 10 other potash concerns launched on June 20 challenging the reserve tax legislation on constitutional grounds. The Government's demand from Hudson Bay's Sylvite of Canada is approximately $8m. in potash reserve taxes.

* * *

That mining battles are worth fighting is illustrated by the decision of Western Australia Mines Minister Andrew Mensaros to reverse his stand on the State's controversial mining bill which means that the legislation is now back in the melting pot with all suggested amendments and views being examined in greater detail. The bill has been particularly criticised by prospectors as outlined in Mining Notebook on August 11.

* * *

The Consolidated Gold Fields group's Bellambi Coal company in Australia announces a consolidated operating profit of $2.25m., compared with a loss of $1.05m. in the year to June, 1974, and brings its total distribution up to 18.75 cents with a final of 8.75 cents and a bonus of 6.25 cents. The 1973-74 total was 6.25 cents. Value of coal and coke sales in 1974-75 rose by 47 per cent. to $26.2m.

America's Utah International has formed a wholly-owned U.K. subsidiary Utah Minerals (U.K.) to perform the functions hitherto handled by the Mining and Metallurgical Agency. Joint managing directors will be Messrs. D. J. T. and G. P. A. G. Robertson.

Mr. Ian MacGregor, chairman of Amax, will discuss the U.S. view of the role of coal as a primary energy source at the Financial Times' world coal conference to be held in London on September 10 and 11 at the Europa Hotel.

BISHOPSGATE'S PROFITS FALL

Reflecting the rise and fall of the fortunes of its 21.8 per cent. stake in the Union Corporation group's Impala Platinum, Bishopsgate Platinum reports a net profit for the year to July 31 of R779,000 (£518,090) compared with R1.91m. for the previous 10 months.

Latest earnings per share equal 3.15 cents (2.1p) against 7.64 cents for the previous period. As already announced, Bishopsgate declared a first quarterly dividend of 3.1 cents for 1974-75 but is not to pay any more for the year. However, the company is now declaring a first interim of 1.5 cents for 1975-76. The total for 1973-74 was 8 cents.

As reported yesterday, Impala paid a first quarterly dividend of 30 cents for the past year to June 30, omitted the following two quarterly dividends and has just declared a final quarterly payment of 15 cents. The market for platinum remains depressed but free market prices are beginning to pick up in the face of production cutbacks by Impala and the other leading producers. Bishopsgate were 108p yesterday.

BOARD MEETINGS

The following companies have notified dates of Board meetings to The Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available whether dividends concerned are interims or finals and the sub-division shown below is based mainly on last year's timetable.

TO-DAY

Interims:—Allied Insulators, Associated Sprayers, British Aluminium, Richard Clay, Cornell Dresses, Dreamland Electrical, Edinburgh and Dundee Investment, English and Scottish Investors, Ferro Metal and Chemical, Tom Martin Metals, Pye Holdings, Robert Stocks (Manchester), Tube Investments, W. and F. Turner, F. J. Wallis, F. W. Woolworth.

Finals:— Crouch Group, Dixons Photographic, A. and J. Gelfer, Gresham Investment Trust.

FUTURE DATES

Interims:—	
Alliance Trust	Aug. 29
Dickinson Robinson Group	Sept. 11
Pearson (W. I.)	Aug. 22
Small (John C.) and Tidmas	Aug. 29
Finals:—	
Austin (F.) (Leyton)	Aug. 22
Douglas (R. M.) (Contractors)	Sept. 1
Edwards (1926)	Sept. 12
Photopia International	Aug. 29
Second Alliance Trust	Aug. 29
Wigfall (Henry)	Aug. 28

Australian gold losses

THE STRUGGLES of Western Australia's gold producers, tax free though they still are downunder, are underlined in the June quarterly reports of the Western Mining group. Gold Mines of Kalgoorlie made a year's net loss of $85,000. More importantly, *the 47 per cent. owned Kalgoorlie* Lake View in which the other participant is Poseidon trebled its 1974-75 loss to $0.75m., a performance which reflected a marked deterioration in the position during the second half of the period.

The extent of the impact on the results of rising costs is shown by the fact that the 42 per cent. increase in the gold price received compared with the year to June, 1974, was more than offset by a 44 per cent. inflation in costs.

In an effort to counter this trend KLV has been mining higher grade orebodies at its Fimiston leases and is confining development to areas of higher grade potential. Mount Charlotte operations are stated to be continuing normally. The Fimiston statement is reckoned in Perth to be *an answer to union criticism* that the Kalgoorlie gold producers are picking the eyes out of their mines and so shortening their lives.

The factors inflating costs are general increases in stores, particularly fuel, steep rises in *workers' compensation premiums,* excessive repairs and maintenance to keep the old treatment plants operating and wages increases in order to make gold-mining competitive for labour with the nickel industry.

Western Mining itself states that there was no progress on its Yeelirrie uranium project during the quarter which is hardly surprising in view of the continued Federal Government imposed stalemate on exports of this nuclear fuel. But the Black Sands mineral deposit at Jurien Bay proceeded towards production with the start-up of the zircon section of the plant. Initial shipments of rutile are stated to have been made. Yesterday Western Mining were 136p.

First Scottish Trust progress

Net revenue of The First Scottish American Trust Company improved from £333,425 to £395,204 in the half year to August 1, 1975. It was £696,182 in the full year to February 1, 1975.

The interim dividend is 0.7p net (same) absorbing £203,031 (same). Net asset value per 25p share is shown to be 79p ex dividend, compared with 58½p.

Corporation tax takes £61,466 (£33,285) and imputation tax *£176,951 (£144,403).*

Statement, Page 5

Horace Cory midway dip

Chemical colour manufacturers, Horace Cory and Co. reports profits down from £139,000 to £113,000 for the first half of 1975, before tax of £59,000 compared with £71,000. Turnover expanded from *£597,738 to £669,170.*

The interim dividend is lifted from 0.2125p to 0.2165p net. Last year's total was 0.6431p paid from taxable profits of £292,064.

RECENT ISSUES

EQUITIES

Issue Price p	Amount Paid Up	Latest Renunc. Date	1975 High	1975 Low	Stock	Closing Price p	+ or –	Div. Amount	Times covered	Gross Yield	P/E Ratio
‡	F.P.	—	172	156	Akroyd & Smithers	156	......	s12.6	1.7	12.1	7.6
$106	F.P.	—	£77	£75	Brazilian Invs. S.A.	£75	......	—	—	—	—
55	F.P.	21/8	56	54	Lawrence (Walter)	54	......	b4.5	2.7	12.6	4.5

FIXED INTEREST STOCKS

Issue Price £	Amount Paid Up	Latest Renunc. Date	1975 High	1975 Low	Stock	Closing Price £	+ or –
‡‡	F.P.	21/8	93	87	Adwest Grp. 10½% Conv. 86/2000	87	......
£100	F.P.	—	101¼	99½	Barclays Bank Int 9½% Capital Notes 1982	99½	......
£100	£10	7/11	11½	10	Barnet Corp. 13½% 1980	11¼	–⅛
£100	£10	7/11	12¼	9¾	Do. Do. 14% 84/5	11	–¼
£100	F.P.	—	100	98¼	CSR 9½% Notes 1980	100	......
*£99	£10	12/9	10½	9	Camb. Water 9% Red. Pref. 1980	9	–½
£100	£50	—	49½	46	Ciba Geigy (G.P.S.) 8½% Guar. Ln. 1982/85	46	–½
£97½	£50	12/9	50½	49½	City of Westminster 13% Red. St. 1981	50½	–⅛
£99	F.P.	—	100	98	Clayton Dewandre 16% Deb. 90/5	99½	+½
£98½	£10	5/12	11¼	9½	Derby Borough Council 13¾% Stk. 1982	11	–½
*£99	F.P.	29/8	100¼	99	East Surrey Water 9% Red. Pref. 1980	99	......
*£100	F.P.	—	104	99	English Properties 12% Conv. Ln. 2000/05	99	......
£100	F.P.	—	108½	100	Ennia Finance (U.K.) 9% Conv Gtd Uns Ln 85-90	102	......
£99	F.P.	31/7	112	100¼	Folkestone Dist. Water 9% Red. Prf. 1980	100¼	......
£100	£50	25/10	56¼	50	Houston 10% Guar. Ln. 1990	54¾	–¼
*£100	Nil	—	5½	½	Land Secs 10% Conv. 90/5	1½pm	......
*£100	F.P.	21/8	107½	97	Mitchell Cotts 13% Conv. Uns. 90/5	103	–½
£99	£10	—	10¼	8¼	Newcastle & Gate 9% Red. Prf. 1980	8¼	–⅛
£99	F.P.	31/7	112¼	100¼	N. Surrey Water 9% Red. Prf. 1980	100¼	......
*£100	F.P.	—	105	87	Property Hldgs. & Inv. 9% Conv. 90/5	88	......
£99	F.P.	29/8	99¾	98	Sunderland Water 9% Red. Pref. 1980	98	–½
‡‡	F.P.	—	90	77½	Turner Curzon 16% Conv. Uns. 78-84	85	......
‡‡	F.P.	29/8	101¾	98¼	Whitbread 11% Conv. 1995	99½	+¼

"RIGHTS" OFFERS

Issue Price p	Amount Paid up	Latest Renunc. Date		Stock	Closing Price p	+ or –
16½	F.P.	15/8	10/9	Adams Foods	19	......
110	F.P.	28/7	26/8	Anderson Strathclyde	113	+1½
35	F.P.	7/7	21/8	Barrow Hepburn	37	+5
46	F.P.	7/7	10/9	BOC Intl.	45	–1
90	Nil	22/8	17/10	B.T.R.	40½	+1
IsrE1.25	Nil	—	—	Bank of Leumi (Israel)	8pm	......
115	F.P.	21/7	1/9	Bowater	152	+1
10	Nil	—	—	British Car	16½pm	–½
50p	F.P.	25/7	5/9	British Steam Specialties	52	......
30	F.P.	21/7	29/8	Century Oils	36	......
66	Nil	—	—	Chubb & Son	11½pm	+5
35	Nil	22/8	19/9	Clayton Dewandre	15pm	+2
48	F.P.	6/8	4/9	Comp Air	55½	......
25	Nil	27/8	26/9	Crellon	1pm	......
41	Nil	22/8	19/9	Crossley Building	1pm	+½
65	Nil	21/8	16/9	Davy Intl.	9pm	......
72	F.P.	30/7	28/8	Dundee-Combex-Marx	106	......
85	F.P.	15/8	19/9	Empire Stores	67	+2
65	F.P.	4/7	21/8	Ever Ready	85	+2
10p	F.P.	4/8	5/9	Ferdex	21	......
25p	F.P.	15/8	5/9	Hanson Tst.	92	......
10p	F.P.	29/7	3/9	Headlam Sims & Coggins	11½	......
25	Nil	—	—	Howard Machinery	5½	......
48	F.P.	15/8	16/9	Law Land	47	–½
103	F.P.	30/7	15/8	Legal & General	111	......
60	F.P.	18/7	21/8	London United Invs.	69	–1
138	F.P.	15/8	19/9	McCorquodale	157	......
210	F.P.	1/8	29/8	Metal Box	227	+4
58	F.P.	20/8	2/10	Morgan Edwards	38	+4
25	Nil	—	—	Normand Elect.	2pm	+1
100p	F.P.	21/7	29/8	Pegler Hattersley	115	+2
$AL80	F.P.	—	—	Poseidon	200	–5
106	F.P.	11/8	5/9	Renold	115	......
78	Nil	26/8	19/9	Royal Worcester	13pm	+5
40p	Nil	26/8	25/9	Scottish & Newcastle Brewery	6½pm	......
10	F.P.	28/7	12/9	Senior Engineering	14½	+½
27½	F.P.	10/7	21/8	Serck	31	......
80p	F.P.	25/7	12/9	Siebe Gorman	125	......
95p	F.P.	25/7	5/9	Smiths Industries	95	+1
170	F.P.	8/8	3/10	Tate & Lyle	189	+2
45	F.P.	15/8	12/9	Westland Aircraft	44	+1
110	F.P.	6/8	29/8	Wheatsheaf Distribution & T.	128	......

Renunciation date usually last day for dealing free of stamp duty. a Placing price to public. b Figures based on prospectus estimate. d Dividend rate paid or payable on part capital, cover based on dividend on full capital. p*** Pence unless otherwise indicated. g Forecast dividend; cover based on previous year's earnings. † Figures assumed. ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividends. ** Issued by tender. ✤ Offered to holders of Ordinary shares as a "rights." ♥ 200 S.Afr. cents. ‡ Rights by way of capitalisation. ·· Tender allotment price. ◆ Reintroduced. ‡‡ Issued in connection with reorganisation, merger or take-over. ✤ Introduction. ◆ Issued to former Preference holders. ‡ Allotment letters (or fully-paid). † Provisional or partly-paid allotment letters. § With warrants.

Heron Motor improves

AGAINST THE trend in the motor sector, pre-tax profit of Heron Motor Group increased from £404,000 to £734,000 in the year to March 31, 1975, after £569,000, against £539,000, for the first half. Turnover for the year expanded from £61.25m. to £75.35m.

Stated earnings per 25p share advanced from 1.75p to 2.9p or from 2.02p to 2.9p diluted. A final dividend of 1.348p lifts the total from 2.517p to 2.628p net. The company is controlled by Heron Corporation.

Mr. Norman Osborne, chairman, reports that the number of vehicles sold during the year was 37,000—an increase of 8 per cent. He also says that because of the many difficulties facing this nation it might be unwise to forecast the outcome of the current financial year other than to give an assurance that, in the absence of catastrophic national events, the group hopes to produce increased trading profits in the future.

Options to purchase 175,000 Ordinary shares at 23p have been granted to 23 executives for a period of seven years from June 12, 1975.

	1974-75 £000	1973-74 £000
Turnover	75,345	61,247
Trading profits	1,953	1,146
Interest payable	1,201	742
Profit before tax	734	404
Taxation	401	212
Net profit	333	192
Extraordinary credits*	242	450
Dividends	220	386
Forward	1,301	1,155

* Profit on sale surplus properties £277,000 (£376,000) and tax written back £70,000 (profit on sale trade investments £83,000).

1973, but profits before tax, and charging the costs of trading development contracted from £258,403 to £220,852 including £6,801, against £21,726, from associates.

The final dividend is 0.7p net for an unchanged total of 1.4p.

Interest and overheads on overseas trading developments absorbed £96,609 compared with £70,412, and tax took £55,309 against £98,474.

Minority losses of £3,478 (£3,980) and extraordinary credits of £199,841 (£18,351) left the net profit up from £113,848 to £274,233.

McKay Securities

Gross rents and service charges receivable by McKay Securities increased from £845,072 to £942,493 in the year to March 31,

Income growth at Capital & National

Gross income of The Capital and National Trust increased from £0.82m. to £0.88m. for the year ended July 31, 1975 after £0.42m., against £0.38m. in the first half.

Year-end earnings per 25p share are shown to be up from 3.31p to 3.46p. Final dividend is 2.25p net which lifts the total from 3.1p to 3.25p.

In addition the directors propose to pay an interim of 1p (same) for the current year, payable on April 8, 1976, on the Ordinary shares in issue on February 28, 1976, being the day *preceding the next following con*version date of the "B" Ordinary.

This will result in the capitalisation of £15,235 by the issue to "B" Ordinary holders of 60,940 fully-paid "B" Ordinary shares of 25p in the ratio of 3.1174008 new shares for every 100 "B" *Ordinary shares held.*

Net asset value is shown at 104p (85p) and the valuation of investments (including full investment dollar premium) £16.35m. (£13.58m).

SWS off £7.8m. at half time

IN THE SIX months ended June 30, 1975, profits of Slater Walker Securities show a drop from £10.09m. to £2.22m., with stated earnings per 25p share falling from 8.61p to 1.39p.

Chairman, Mr. Jim Slater, says that the lower profits for the current year reflect the continuing difficult economic conditions, both domestic and international, and are in line with his statement at the annual meeting that profits would be at a "very low level indeed" until the programme for reducing the group's substantial property portfolio had been completed. This is clearly evidenced by the property assets loss of £955,000 during the first six months, he adds.

It has been the *policy, during* the first six months, to continue to develop investment management, insurance and banking activities while at the same time continuing to reduce the substantial property portfolio and, where possible, to redeem the company's long-term borrowings at favourable discounts.

This policy and, in particular, the reduction of the property portfolio, should significantly increase recurring earnings and further improve "our strong liquid position," states Mr. Slater.

At August 14, £17,588,201 nominal of the old loan stocks had been cancelled in exchange for £9,656,697 nominal of 12½ new stock, 1,076,095 new Ordinary shares and £477,908 cash. As a result, net assets have increased by over £7m.

The interim dividend is raised from 2.45p to 2.695p per share. The chairman confirms that irrespective of the level of profits it is intended to pay the maximum permitted rate for 1975—this would at present mean a total of 5.61p (5.256p).

	First half 1975 £000	First half 1974 £000
Commercial banking	2,538	4,092
Corporate finance	210	309
Investment management	698	371
Insurance	644	—
Property loss	955	564
Investment income	921	761
Investment dealing	224	6,072
Investment trusts	—	347
Commercial and industrial activities	1,096	2,557
Overheads and loan int.	3,735	4,521
Profit before tax	2,216	10,096
Taxation	1,152	3,956
Net profit	1,064	6,133
Minority loss	49	207
Attributable	1,113	6,343

See Lex

GRESHAM HOTEL

The Gresham Hotel Company advised by Allied Irish Investment Bank, announces that discussions are taking place which may lead to an offer for the shares of the company.

Royal Insurance profit up 42.4% so far

THE ESTIMATED worldwide results for the six months ended June 30, 1975, of **Royal Insurance Company** show an increase of 42.4 per cent. in profit before tax to £16.8m. The interim dividend is *5.3p per 25p stock unit, equivalent* to 8.154p gross. This compares with the two interim dividends of 1974 aggregating 5p or 7.463p gross. *Profit before tax* for 1974 was £15m. and dividends totalled 12.544p net.

The underwriting result for the half year shows a reduced loss of £12.3m. against £13.9m. The chairman, Mr. D. Meinertzhagen, says that in the U.S. Royal has suffered with the rest of the market a substantial deterioration in the personal sector, mainly automobile, *and also to some extent* in homeowners' business.

On the other hand, there has been some improvement in other *lines, notably general liability and* workmen's compensation, which reflects the underwriting action taken in recent times.

As regards the rest of the world increased underwriting profits were earned in the U.K. and in both Canada and Australia the underwriting losses were significantly reduced.

In the U.S. claims as a percentage of earned premiums were 79.6 per cent (77.8 per cent.) and expenses as a percentage of written premiums amounted to 28.9 per cent. (29.4 per cent.) producing an operating ratio of 108.5 compared with 107.2 for the comparable period last year.

Investment income increased by 14.3 per cent. to £27.9m. and long term insurance profits were £0.8m. The estimated profit after tax was £9.9m. (8.2p per unit) as against £7.3m. (6.1p per unit).

	6 months 1975	6 months 1974	Year 1974
	£m.	£m.	£m.
General insurance premiums	579.7	532.1	665.9
U.S. underwriting loss	13.7	11.4	27.2
Loss elsewhere	*1.4	2.5	11.6
Total loss	12.3	13.9	38.8
Long-term insur. profits	0.8	0.5	1.7
Investment income	27.9	24.4	51.8
Share associate	0.1	0.7	1.3
Profit before tax	16.8	11.8	15.0
Tax	6.9	1.3	4.7
Net profit	9.9	7.3	10.7
Cost of dividend	6.4	6.0	13.1
Retained	3.5	1.3	†4.4

* Profit. † Deficit.

Capital and free reserves as at June 30, 1975, were estimated to amount to £270m. which is 38 *per cent. of the preceding 12* months premiums.

New long term insurance business written in the first six *months was new periodical* premiums £6.7m. (£5.1m. and £11.1m. for all of 1974); new single premiums £3.1m. (£9.5m. and £13.4m.). New sums assured totalled £381.8m. (£314.8m. and £601.3m.) and new annuities per annum £13.0m. (£9.8m. and £22.0m.).

See Lex

Statement, Page 17

American Trust downturn

Net revenue for the half year to July 31, 1975, of American Trust fell from £480,066 to £454,110 after U.K. tax of £254,741 *compared with £266,974, and overseas* tax of £47,314 against £46,893.

The interim dividend is held at 0.42p net. Last year's total *was 1.35p paid from* net revenue of £0.88m.

The net asset value is given as 38.3p (33.1p) per 25p share.

During the half year 37 per cent. of the Sw.Frs.30m. loan has been liquidated prior to the due date.

Houchin second half recovery

REFLECTING a second half recovery pre-tax profit of aircraft ground equipment manufacturers, *Houchin, increased from £305,666* to £357,363 for the year to April 30, 1975. After 27 weeks profits were down from £176,797 to £130,468.

As before the dividend is 2p net per 25p share

The directors report that *demand for the company's* products remains strong, with the order book standing at a satisfactory level. An increased sales *effort is being mounted in Europe.*

Air Transport (Charter) (CI), again increased its contribution to group profits. This subsidiary *has now* completed the building of its new extension and a significant increase in profit and turnover is expected as a result, the directors add.

	1974-75	1973-74
	£	£
Turnover	3,813,113	2,174,601
Profit	357,363	305,666
Tax	191,329	157,172
Net profit	176,034	148,494
Preference dividend	1,176	1,176
Ordinary	44,631	24,040
Retained	130,227	123,278

Kinta Kellas Rubber in good shape

Kinta Kellas Rubber Estates is in good shape to give of its best in the expected difficult trading *conditions, the chairman,* Mr. P. T. Gunton tells members.

Crop harvested for the three months to end June, 1975, was *some 6 per cent.* lower at 377,000 kgs. With the uncertainty over production prospects and selling prices, it would be imprudent to forecast results for the current year, he states.

Mr. Gunton reveals that during the year, some 400 acres of rubber at all estates will come into tapping for the first time and "usefully augment crops."

As reported on July 9, pre-tax profit for the year to March 31, 1975, after charging replanting expenditure, was £233,570 compared with £784,912. The reduced profit was the result of a lower net average selling price for rubber—by some 7p per kg.—coupled with a reduction in crop by just over 3 per cent. and replanting expenditure £17,000 *higher at £37,425. In sterling* terms production cost at estate level was higher by almost 3p per kg. but this was offset by a reduction of similar amount in export duty. The lower trading profit was, however, usefully cushioned by tin tribute increased from £64,032 to £97,370, and investment income up from £28,112 to £56,719. The dividend is the maximum permitted 1.4435p (1.358p) net.

The rubber crop harvested of 2,637,667 kgs. was lower by 80,812 kgs. than in 1973/74 and *failure to achieve the year's target* of 2,780,000 kgs. stems mainly from price stabilisation measures introduced by the Malaysian *Government at the end of 1974.*

Doranakande Rubber Estates owns 10.5 per cent. of the equity; The Malaysia Rubber Company 24.2 per cent., and The Straits Trading Company 11.7 per cent.

Meeting, 1-4, Great Tower *Street, E.C., on September 11 at* noon.

Statement, Page 17

First half slump at Wm. Nash

A PRE-TAX profit of £1,000 is announced by specialist paper makers, **William Nash**, for the first half of 1975, compared with *£368,000 in the previous* comparable period. For the full year 1974 taxable profit amounted to £777,000.

The halftime result included a profitable first quarter and losses in the second three months caused by low operating levels.

The present level of operation is comparable to that of the second half of last year, say the directors.

The interim dividend is 2p (3p). Turnover for the first half declined from £3.84m. to £3.3m.

Ciro £114,000 loss in first six months

Net loss of **Ciro Holdings**, retail and wholesale jewellers, more than doubled from £55,044 to £114,060 during the first six months of 1975. For the full year 1974 there was a net profit after tax of £20,146.

For the past three years at least losses have been incurred in the first half but recoveries in the second six months have kept the *company in profit overall.*

For the half year turnover was up from £0.99m. to £1.16m. and tax charge is nil (same).

There is no interim dividend. The last payment was made in 1970.

BIDS AND DEALS

Grampian £1.6m switchgear sale

Allen West Holding Company, which is jointly owned by Tube Investments and General Electric of the U.S., has expanded its switchgear interests through the acquisition of Wallacetown Engineering Company from **Grampian Holdings**. Consideration is £565,000 in cash, plus the repayment of loans due to Grampian of £1.04m.

The Wallacetown companies manufacture flameproof electrical switchgear, industrial motor control gear and fuse switchgear. Pre-tax profits in 1974 were £347,000 and the average for the three years to end-1974 was £190,000. Net tangible assets at the end of last year were £778,490.

TI and GE intend to develop the Wallacetown companies—which employ 700 people—as an extension of their Allen West and Simplex-GE division and to extend the companies' activities, particu*larly in the mining and petro*chemical field.

For Grampian, the sale is in accordance with its plans for the *consolidation and redeployment of* resources and it intends to apply the cash proceeds in due course in developing other selected sec*tors within the group's present* range.

600 GROUP IN IRANIAN VENTURE

Jones Cranes, a subsidiary of the 600 Group, has formed a joint company with the Indus*trial Development and Renovation* Organisation of Iran (IDRO) to manufacture cranes in Iran for the rapidly growing Iranian market.

IDRO is a Government sponsored body charged among other things with promoting the industrialisation of Iran. Jones already has some 200 cranes at work in the country principally in ports and customs areas. The company is to concentrate on crane production for the time being but may diversify into the manufacture of mechanical handling equipment later on.

MARLING

Marling Industries has acquired for a nominal consideration the capital of Ancra International from its parent company, Ancra Corporation of California.

The U.K. company will continue to develop its business manufacturing and distributing the Ancra range of industrial safety harnesses and cargo restraint equipment, most of its products being complementary to Marling's existing activities.

EDWARD BATES —CHURCHBURY

Edward Bates and Sons has sold its 13.3 per cent. stake in Churchbury Estates. According to a statement by Churchbury, the disposal formed part of certain sales on July 31 involving some 23 per cent. of Churchbury's equity at a price of 110p a share. It is understood that the shares were placed with various investment and unit trusts and other investors.

BOC

Singapore Oxygen PTE, a subsidiary of BOC International, is to merge with Far East Oxygen (Singapore) PTE, part of L'Air Liquide Group.

The new company thus formed in Singapore will be called Singapore Oxygen Air Liquide PTE and *will be equally-owned by BOC* and the L'Air Liquide, its equity capital being S$14m.

No substantial cash transaction *is involved although an adjusting* cash payment will eventually be due to BOC to reflect the difference in asset values. The pro*posed effective date for the mer*ger is October 1.

KIRKSTAR SECS.—HANOVER GRAND

Kirkstar Securities has decided after discussions with the Board of Hanover Grand to pay 8p cash *for each Hanover Ordinary share* not already owned and—as previously announced—6p cash for each Preference share. The Hanover Board *unanimously* recommends acceptance of both offers and Kirkstar now owns or has expressions of intentions to *accept in respect of 84.9 per cent.* of the shares.

LEISURE & GENERAL

Leisure and General Holdings has acquired the capital of Moffat Lodge Motor Inn, operating a motor hotel on a freehold site in Moffat, Dumfriesshire. It will provide a "strategic link" between Leisure and General's existing Mercury Motor Inns in Scotland and in England and Wales.

Purchase price is £30,000, satisfied by the issue of 142,860 Ordinary 10p shares.

ELLERMAN/CAMERON

Ellerman Lines has issued its *formal offer document in its* agreed bid for J. W. Cameron, the Hartlepool brewers in which it already has a 29.5 per cent. stake.

Terms and conditions are as announced on July 30 save for a three for one scrip issue which Cameron proposes to make to *reduce the cost of implementing* the offers. The scrip proposal, which will be put to shareholders at an extraordinary meeting on *September 11 will not affect the* previously announced value of the offer to Ordinary holders which is equivalent to 125p for each share.

Terms of the offer in full are 125p in cash for each Cameron 25p Ordinary, 40p cash for every 3.5 per cent. preference and 47p cash for every 4.2 per cent. preference. On this basis the whole company—including Ellerman's existing 29.5 per cent. stake —is valued at some £14m.

CGF OFFSHOOT BUYS BASSETT SMITH

TENNANT TRADING, part of the Consolidated Gold Fields Group, has reached agreement for the acquisition of Basset Smith and Co. No financial details have been disclosed.

Bassett, originally founded in 1877, now consists of three principal businesses — Bassett Smith and Co. in London; Continental-Springer NV, whose operations are in Amsterdam and Arnhem; and A. D. Keeling Limited/Vizor Metals in Leamington — and its main activity is trading in and processing non ferrous metals. Subsidiary operations include mineral sands, pig iron, coke and foundry equipment.

The businesses complement Tennant's traditional broking and physical dealing activities in the major non ferrous metals and the supply of products and services to foundries and the steel-making industries. The merger will also accelerate Tennant's development and expansion of its Continental operations, it was stated.

PORTALS

Portals has concluded an agreement with AB Tumba Bruk *under which Portals becomes* world-wide distributors, with the exception of Scandinavia, for all the cylinder-mould-made currency paper production of that company.

Tumba is wholly owned by the National Bank of Sweden, for which it manufactures the national currency. During the last few years, Tumba has considerably increased its capacity for bank note and other high security papers.

SHARE STAKES

*Fine Art Developments has in*creased its holding in Wilson Bros. by 80,000 Ordinary shares to 2,316,200.

Sun Life Assurance Society now has an interest in 18.73 per cent. Ordinary shares of Artagen Properties representing 33.35 per cent. of the capital.

Aggregate interest of Slater Walker Securities, its subsidiaries, investment trusts, etc. on August 8 *in Tecalemit amounted* to 660,000 shares (10 per cent.), including holding of Direct Spanish Telegraph which is a fully discre*tionary investment client of* Slater Walker Securities.

This is not a disclosure under the Companies Act.

Singlo Holdings-Empire Plantations sold 75,000 shares and subsequently repurchased them to leave their holding static at 763,000 Ordinary shares.

Miln Marsters-Hilleshog Fro AB is now interested in 338,000 Ordinary shares—24 per cent. of *the Ordinary capital.*

Dreamland Group-Grovewood Securities has bought a further 73,500 Ordinary shares and total *holding is now 1,208,500 shares* representing 22.5 per cent. of the equity.

Mr. J. Grant is now interested in 488,250 *(17.38 per cent.) Ordinary* shares in Stirling Knitting Group.

Singlo profit doubled at £265,000

Turnover of Singlo Holdings (tea) increased from £1.02m. to £1.48m. in the year to March 31, 1975, and pre-tax profit doubled to £265,000.

Stated earnings per 10p share advanced from 1.2p to 1.8p and the dividend is stepped up from 0.14p to 0.78p net, payable when the directors consider funds are available.

	1974-75	1973-74
	£000	£000
Turnover	1,483	1,022
Pre-tax profit*	265	131
Overseas tax	171	68
U.K. tax	16	10
Attributable	73	45

* Including share of associate nil (£23,000).

L. Joseph Trust earnings reduced

Earnings per 25p share of Leopold Joseph Investment Trust show a reduction from 2.4p to 1.4p for the year ended June 30, 1975. The dividend is 1.15p (1.4p) net, with a final of 0.8p. The 1973-74 total included a bonus of 0.35p.

Net profit was £173,810 (£204,288) after tax of £160,862 (£200,359).

Net asset value per share amounted to 75.2p (84.2p).

COUNTER-INFLATION ACT 1973

The Treasury have given consent to the declaration by the following *companies of dividends of the total amounts specified for the* financial years ending on the specified dates:

Herbert Morris Ltd.	Loughborough	£76,536	31.10.75
Phillips Patents (Holdings) Ltd.	Manchester	£62,308	1. 3.75
Astra Securities Ltd.	Walsall	£72,336	30. 4.75
Hales Properties Ltd.	Castle Bromwich	£53,052	31. 3.75
RFD Group Ltd.	Godalming	£245,334	31. 3.75
Monitor Holidays Ltd.	London W1	£120,914	31. 1.75
Mining Supplies Ltd.	Doncaster	£115,385	26. 4.75
Fairbairn Lawson Ltd.	Leeds	£66,668	2. 1.75
Letraset International Ltd.	London SE1	£341,191	30. 4.75
W Henshall & Sons (Addlestone) Ltd.	Byfleet	£10,769	31. 3.75
The Customagic Manufacturing Co Ltd.	Manchester	£56,538	30. 4.75
American Association Ltd.	London EC2	£4,953	31.12.74
Gold & Base Metal Mines Ltd.	London EC1	£85,292	31.12.74
Acrow (Engineers) Ltd.	London W2	£1,596,385	31. 3.75
Lubok Investments Ltd.	London EC4	£66,695	31.12.75

Published by the Treasury as required by the above Act

CRICKET — BY TREVOR BAILEY

Desecration at Leeds

WE SHALL now never know if England would have gained their expected win in the third Test at Leeds, or whether Australia would have brought off an heroic victory against the odds, because *the game was abandoned.*

The reason for this sad happening was that at some time during the night, holes were dug in the wicket and motor oil poured upon it, around a slow bowler's length.

The umpires decided the pitch was unfit for play and, not surprisingly, the captains agreed that it was impossible to find another strip which was similar to the one that had been damaged.

This *stupid* outrage, which ended what had been an outstanding Test with the promise of a great climax, was perpetrated to draw attention to George Davis, currently serving a long sentence for an armed robbery in which a policeman was shot.

With acts of this nature on the increase, it would seem *necessary to tighten up security* arrangements and one night guard does appear to be inadequate.

The possibilities of playing another Test are being considered but it is unlikely to occur. There is little time available, it would clash with the Gillette final and the Australian players have completed their various travelling arrangements.

Australia, *of course, now retain* the Ashes, as even if England were to win at the Oval, the most they can do is to level the series. Nobody is more disappointed at retaining them in such an unsatisfactory fashion *than the Australian captain, Ian* Chappell.

Somewhat ironically, rain began to fall heavily around noon, so that it looked as if the match would have finished as a draw in any case.

Although the end was sick, the Headingley Test did contain many memorable moments and much fine cricket.

Steele, *of the thrusting left* pad, and firm, full forward stroke, has established himself as an integral part of the present England team. He has brought character and determination to an English batting line-up, vir*tues which were so often missing* in Australia last winter.

Although Edmonds did not bowl as impressively in the second *innings as in the first*, he is an outstanding international prospect, a true left-arm bowler in the classic mould.

The big disappointment was the hapless Fletcher who was clearly affected by the hostility of the home crowd. Watching *him at the crease*, it was hard to realise that he is one of the few class batsmen in the country. Presumably another player will be drafted into the eleven at the Oval and possible candidates include Woolmer, Hayes and Roope.

There could be some doubt about the retention of Hampshire, but he could consider himself very unfortunate if he was discarded after only one game.

Snow bowled *beautifully* and Hendrick, if fit, will presumably once again be included in the squad.

The Australian batting "came good" in the second innings but clearly has its limitations, while *their attack is over-dependent* upon speed.

This means that if the Oval wicket turns early and is also slow, England, under Greig, must stand a good chance of winning. On the other hand, on a firm, *fast pitch*, the odds would still be on Chappell and company.

RACING — BY DOMINIC WIGAN

Grand Chat a sound proposition

GRUNDY, clearly feeling the effects of his arduous race in Ascot's King George VI and Queen Elizabeth Diamond Stakes, was well beaten into fourth place behind Dahlia in yesterday's Benson and Hedges Gold Cup at York.

Dahlia, on whom Lester Piggott made all the running, was always travelling easily, and fully three furlongs from home it was clear that she had the Derby winner *in trouble*. At the line, Dahlia, eased considerably by Piggott in the final 50 yards, had a length to spare over Card King with Star Appeal beating Grundy *for third* place.

Turning to to-day's fine York programme, 18 staying handicappers, varying in ability from top class to useful, are due to line up for the Terry's All Gold Ebor, Britain's most valuable handicap, and it should provide an intriguing contest for the Yorkshire crowd.

The three who interest me most here are Jeremy Tree's John Cherry, the mount of Lester Piggott, Carolus from Captain Ryan Price's *in-form* Findon establishment and *Grand Chat*, sent up from Staff Ingham's Headley stable, which has landed *so many major handicaps since* the war.

All three have shown winning form this season. John Cherry, a chesnut son of that highly successful American stallion, Stage Door Johnny, gained his last success when easily disposing of Seven the Quadrant, to whom he was conceding 9 lb. in Kempton's Harpers and Queen Handicap at the end of May; while Carolus and Grand Chat respectively gained their most recent wins in a condition event at Ayr and the Burloes Handicap at Lingfield.

Grand Chat, one of the joint *bottom weights on 7 st. 7 lb.*, put up a particularly praiseworthy performance on his last outing when falling by the minimum *distance to catch Peaceful in the* 1½-miles Sandringham Handicap at Ascot recently, and with the additional quarter of a mile here in his favour, he appeals as a sound each-way proposition.

Only four have been declared for the Great Voltigeur Stakes (3.45) won a year ago by Bustino; but this should not prevent it from being a highly competitive affair for Libras Rib, Patch, Sea Anchor and Royal Manacle make up the quartet which remains. My idea of the probable *winner is Sea Anchor, who fol*lowed up a 2½-lengths King Edward VII success over Libras Rib by finishing fourth to Grundy *in the Irish Derby.*

Half an hour after the Great Voltigeur, many will expect Hern and Mercer to follow up with *Strabo* in the Convivial Stakes (4.15). Sir Michael Sobell's bay Tudor Melody colt showed a good deal of promise on his debut when chasing home Solitary Hall in Ascot's Granville Stakes three weeks ago and the third there, Mid Beat, paid a useful compliment to the form when spreadeagling the opposi*tion in yesterday's* Acomb Stakes. I shall be surprised if Strabo is beaten.

YORK

2.00—African Beat
2.35—Upavon
3.15—*Grand Chat****
3.45—Sea Anchor*
4.15—Strabo**
4.45—Jolly Good
5.16—Fats Waller

BRIGHTON

1.30—Red Rogue
2.00—Devil's Dyke
2.30—Velvella

DEVON

2.15—Thomasville
2.45—Kipple Lad

Willment offshoot owes nearly £2m

A company building a marina on the Isle of Wight has debts of almost £2m., a creditors' meeting in London was told yesterday.

John Willment Marine (Cowes) —part of the John Willment Automobiles group which was placed in the hands of a Receiver in December—was said to have partly completed the marina at East Cowes. Assistant Official Receiver Mr. G. C. Enderby said £2m. of the total estimated cost had been expected to be paid for by selling flats adjoining the marina.

But the company had been told that unless work was completed by January this year its licence to construct the marina would be revoked. From then on it had to abandon building the flats and finance had to come from associated companies.

By June, 1974, when about 210 yacht berths were available, an associate was placed in the hands of a receiver, and no further funds were available from that source. The company's own bankers then made an appraisal of the company's position and last February appointed a receiver.

L. RYAN POSITION

A consolidated statement of affairs of Ryan Holdings as at March 3, 1975, shows an estimated surplus as regards creditors of £1.12m. and, after deducting share capital of £1.19m., an estimated deficiency as regards members of £68,219.

The Receiver and Manager says in a letter that the figures have been prepared from the figures presented to him by the directors, and that the statement has been prepared for information purposes only and does not take into account all principles used in the consolidation of financial statements.

Telephone & Gen. Trust

Telephone and General Trust reports earnings up from £586,798 to £615,136 for the six months ended June 30, 1975, before tax of £221,736 (£197,569). Gross revenue amounted to £711,064 (£679,108).

Investments at market value or valuation totalled £16.78m. *(£9.89m. at December 31, 1974).* Net assets attributable to Ordinary holders were £14.87m. (£7.93m.)—equal to 165½p (88½p) *per 25p stock unit, or 170½p* (98½p) allowing for full conversion of loan stock.

BISHOPSGATE PLATINUM LIMITED

and its Subsidiary Company

(Incorporated in the Republic of South Africa)

Preliminary Report for the year ended 31st July, 1975

The estimated results of the Company for the year ended 31st July, 1975, together with the figures for the ten months to 31st July, 1974 and for the twelve months to 30th September, 1973, are set out below:—

	Year 31.7.1975 R'000	Ten months 31.7.1974 R'000	Year 30.9.1973 R'000
DIVIDENDS	789	1 941	1 509
Unlisted Investment— Impala Platinum Limited	776	1 941	1 509
Listed Investments	13	—	—
INTEREST RECEIVED	49	54	48
	838	1 995	1 557
Less:	59	85	37
Administration Expenses	40	63	18
Taxation	19	22	19
EARNINGS AFTER TAXATION	R779	R1 910	R1 520
EARNINGS—Per Share Cents	3,15	7,64	6.1
DIVIDENDS—Per Share Cents	3,1	8	3,3
—*Amount Absorbed*	R775	R2 000	R825

The Company holds 21,6 per cent of the issued Capital of Impala Platinum Limited.

The Attention of the Shareholders is drawn to the fact that for the fourth quarter Impala Platinum Limited has declared a Dividend of 15 cents per Share (fourth quarter 1974—25 cents), totalling for the *twelve months 45 cents per Share* (1974—75 cents), payable on or about the 8th September, 1975.

NOTICE TO SHAREHOLDERS

DECLARATION OF DIVIDEND NO. 8

Notice is hereby given that Interim Dividend No. 8 of 1.5 cents per Share, being the first Dividend for the year ended 31st July, 1976, will be paid on or about the 3rd October, 1975, to the holders of Shares registered in the Books of the Company at the close of business on the 29th August, 1975.

Where applicable, non-resident Shareholders Tax at the rate of 15 per cent will be deducted from Dividends payable to Shareholders whose *registered addresses are outside* the Republic of South Africa.

The Transfer Books, and Register of Members, will be closed from the 30th August, 1975 to the 5th September, 1975, both days inclusive.

Vaughan, Key & Payne
Secretaries
Per: R. G. E. Billing

Registered Office:
10th Floor, 'Unitas,'
42, Marshall Street,
Johannesburg

Transfer Secretaries:
Union Corporation Limited,
74/78, Marshall Street,
Johannesburg
MM & WM Services,
Granby House,
95, Southwark Street,
London, SE1 0JA

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INTERNATIONAL COMPANY NEWS + EURO MARKETS

Little to relieve the gloom at AEG

BY GUY HAWTIN

FRANKFURT, August 19.

AEG - TELEFUNKEN'S shareholders learned to-day that the concern was expecting another year of losses. Only two months ago AEG — West Germany's second largest electrical manufacturer—revealed that losses in 1974 totalled DM684m.

At AEG's annual meeting in Berlin to-day, chief executive Dr. Hans Groebe told shareholders that there had been a "drastic decline" in capacity utilisation in both the consumer goods and the technical components sectors. At the same time there had been a strong increase in wage costs.

These factors, he said, had gravely affected the group's total earnings and, as a result, a loss was expected.

Before the meeting it was announced thtat the AEG supervisory Board has appointed Dr. Groebe's successor. He is 46-year-old Dr. Walter Cipa, who was formerly chief executive of the Gelsenberg energy concern.

Dr. Cipa, said the supervisory Board's announcement, had been appointed deputy chairman of the executive Board and would take up the position to-morrow. He would take over as chief executive when the 58-year-old Dr. Groebe, at his own request, retired from the job after the 1976 annual meeting.

Dr. Groebe, who joined the executive Board in 1966 and became its chairman in 1970, has not been without critics in his handling of the AEG concern and its current problems. To-day's announcement, however, appears to be a clear indication that he retains the confidence of the supervisory Board.

The annual meeting scarcely a cheerful one, heard a detailed account of last year's losses—which stemmed largely from AEG's involvement in Kraftwerk Union, the nation's largest power station builder. It was also indicated to shareholders that the concern is determined to sell that interest if suitable terms can be agreed.

Dr. Groebe appeared to reject a suggestion from the floor that instead of selling its 50 per cent. of Kraftwerk Union—the other 50 per cent. is owned by Siemens —the group should seek a partner to ease the immediate burden. An ideal partner, it was suggested, would be an oil producing state.

But shareholders were firmly told by Dr. Groebe that although Kraftwerk Union was interesting from a business point of view, AEG could face problems with providing its share of the financing which KWU requires (KWU is having to finance a huge order book, forecast to rise from under DM.1bn to Dm.7bn by the end of the decade). AEG would be obliged to assist in this, and also to participate in the raising of KWU's share capital by an estimated DM.800m. to about DM.1bn.

Talks were still "intensively" taking place with a view to selling the interest, said Dr. Groebe. It appears that the main candidate for purchase is the French St. Gobain concern, as talks with Siemens are understood to have broken down.

The annual meeting, which approved a rights issue aimed at raising DM316m., largely to be picked up by the consortium of banks underwriting it, were told that there had been a 2 per cent. fall in group turnover during the first half of the year.

Dr. Groebe said that domestic turnover had fallen by 8 per cent. compared with the first six months of the previous year although this had been partially offset by an 8 per cent. rise in overseas performance. Incoming orders during this period had risen by 2 per cent. against the level of the first half of 1974, largely as a result of the government's investment incentives which expired at the end of June.

Already, since December 31 last year, the number of West German employees had been reduced by 6,000—4 per cent.—to 138,000. In spite of this there was widespread short-time working and there would be further short-time and redundancies in the coming months.

Abercom woos U.K. investors

By Roy Levine

TWO OF South Africa's top industrialists will be visiting London next week to meet the U.K. investment community. They are Mr. Murray McLean, Chairman, and Mr. David Lurie, Vice-Chairman of Abercom Investments, one of the country's premier engineering companies.

Last week Abercom announced a one-for-ten rights issue "to take full advantage of the very high level of demand anticipated for several years into the future."

The dividend on the increased capital will be at least 28.5c a share against 26c for the year to June 30, 1975. Last week's announcement showed pre-tax profits of R10.3m., up by 39 per cent., on a turnover of R78.4m., up by 35 per cent. The final dividend is 18c (12.1p) a share.

As an important supplier to the mines and industry, Abercom should benefit from the accelerating capital investment boom in South Africa. Its appetite for new equity reflects the high cost of debt capital rather than a highly geared balance sheet. Although the shares stand at their 1975 high of 330p cum premium (after doubling this year), there is no premium in the rating for this company which has increased earnings per share at a compound rate of over 30 per cent. a year over the past five years.

The prospective yield is 5.5 per cent. but the p/e on the ex-premium price is 5.7. The average p/e on the industrial market—which has risen by only a quarter this year—is 5. U.K. institutions hold nearly a fifth of the equity and this could increase following the recent relaxations in the blocked Rand.

Both e.p.s. and the final dividend are higher than lenders stockbrokers expected, while for the current year there is the forecast of "substantial growth."

The company has announced the appointment of Mr. John Stanard Feek as managing director.

Takeover battle for Cyclone intensifies

BY BRYAN FRITH,

SYDNEY, August 19.

THE TAKEOVER battle for the steel products maker Cyclone Co of Australia intensified to-day when Boral announced a higher offer. Boral is offering five of its shares for every four Cyclone compared with its earlier bid of eleven Boral for every ten Cyclone. On Boral's current market price the approach is worth $A2.31 for each Cyclone compared with close to $A2.00 in the initial offer. Boral directors have also raised the alternative cash offer from $A1.90 a share to $A2.10.

The increased Boral offer is still well below the cash and share bid by Arc Industries, which was blocked last week by the Trade Practices Commission. Boral's latest bid values Cyclone at $A17.4m. compared with its initial price tag of $A16m. The Arc offer valued Cyclone at $A20m.

The Trade Practices Commission refused to grant Arc a clearance to go ahead with its takeover offer for Cyclone on the grounds that there would be a significant lessening of competition, even though there was only an overlapping in sales of $A20m. out of a combined sales revenue for the two companies of $A160m. The TPC also considered that the 36 per cent. direct and indirect interest in Arc of Australia's sole steel producer, Broken Hill Proprietary, gave it a controlling interest. The ruling could make it difficult for BHP, or any other large company, to expand by takeover.

Arc has not yet given up. It is considering whether to apply now for an authorisation from the TPC, which would involve more detailed submissions and could take up to three months.

The Cyclone Board, which recommended the Arc offer, is unlikely to welcome the latest Boral move. Cyclone directors have now suggested to the TPC that competition could be lessened in a number of markets, if Boral succeeded in its takeover. Cyclone argues that Boral wants to use Cyclone to expand in steel reinforcing, an area in which Cyclone does not at present operate. To do this, Boral would have to instal a plant in Cyclone's existing facilities and therefore discontinue some of the company's existing manufacturing operations. The TPC as yet has not commented on Cyclone's claim.

Brazilian companies come to market

BY SUE BRANFORD

FOUR Brazilian companies — three of them Government-owned — are contracting foreign loans to help finance their expansion projects.

The largest loan is for $150m. and is to help finance the railway modernisation programme drawn up by RFF (Rede Ferroviaria Federal). The contract is to be signed in London by the president of the Banco do Brasil, Sr. Angelo Calmon de Sa.

The group of banks, headed by the Banco do Brasil, had intended to raise a $100m. loan. But, as the market had reacted favourably, the value of the loan has been increased to $150m. Neither the term, nor the coupon on the loan has been revealed.

The second loan, for $38m., with a five year term, is to help finance the iron ore industrialisation projects that have been drawn up by Cia Vale Do Rio Doce, Brazil's huge Government-owned mining company. The contract was signed yesterday in San Francisco, and the consortium operation was headed by Wells Fargo bank, and had as co-administrators the Banco do Brasil, the Iran Overseas Investment Bank and the Rothschild Intercontinental Bank.

The third loan, also for $38m., is being negotiated with Eximbank to cover the additional construction costs on Brazil's first nuclear power station, Angra 1.

The contract for the fourth loan, for $5.5m., was signed yesterday between Eximbank and Pirelli S.A., the Brazilian subsidiary of Industrie Pirelli, the Italian company in which Dunlop has a 49 per cent. stake. The loan will help to finance $11.1m. equipment purchases that Pirelli is making on the U.S. market, and the equipment is to be installed in Pirelli's tyre factory in Rio Grande Do Sul.

Mitsubishi assesses oil leakage loss

TOKYO, August 19.

MITSUBISHI OIL announced it incurred losses totalling Yen47bn. as a result of the leakage of crude oil from a storage tank in its Mizushima refinery last December.

The company said the total comprised Yen17bn. in losses resulting from the suspension of the refinery's operation, Yen17bn. in compensation to local fishermen, and Yen13bn. in neutralising the oil slicks and clearing affected waters.

The company, of which Getty Oil own 48.7 per cent. is disposing of some assets, including real estate to cover part of the losses.

The company also said it resumed operation of the Mizushima refinery to-day, following the signing of an anti-pollution agreement with local authorities yesterday.

Reuter

Bell Canada's new offering

BY JAMES SCOTT,

TORONTO, August 19.

BELL CANADA is considering a secondary offering of about 6m. shares of its holding in Northern Electric Company along with warrants to buy about 3m. Bell Telephone Common shares. The offering would be made in Canada, the United States and international markets where Northern Electric and Bell Canada shares trade. Bell Canada would give no reason for the proposed secondary offering which would reduce its holding in the large telecommunications equipment manufacturer to about 66 per cent.

Shares of Northern Electric have been particularly strong, however, and now are selling slightly below the record price of $C31.37 set this year. Market analysts believe this is an opportune time for Bell Canada to raise some working capital. Based on the current market price for Northern Electric, the offer could raise up to $C180m.

Bell Canada made its initial public offering of Northern Electric shares in December 1973 when it sold 2.6m. shares at $C15 a share.

Bell Canada's consolidated earnings per common share for the three months ended June 30 were $C1.50 compared with $C1.54 for the similar period in 1974.

For the six months' period, earnings per common share were $C2.71, compared with $C2.95 for the corresponding period last year.

The earnings reported for 1974 have been restated by 6 cents per share to reflect the temporary 10 per cent. Federal surtax on non-manufacturing profits, imposed in November, 1974, but retroactive to May 1, 1974.

Second quarter consolidated revenue including operating revenue and sales by manufacturing and distributing companies, amounted to $C761.4m. ($C684.4m.). Consolidated operating expenses and the cost of sales and expenses were $C591.2m. ($C503.1m.) and consolidated net income amounted to $C63.4m. ($C61.2m.).

Rothman's write-offs

BY JAMES SCOTT

TORONTO, August 19.

ROTHMANS of Pall Mall Canada plans to write off $C71.57m. of the $C136.7m. that it paid to gain a controlling 50.1 per cent. interest in Carling O'Keefe. This was in a 1969 battle with Philip Morris of the U.S. Rothmans paid as high as $C14.12 a share for Carling O'Keefe, then known as Canadian Breweries.

Rothmans directors have proposed that the amount to be written off, which is the excess Rothmans paid for 10.9m. shares of Carling O'Keefe over the net asset values at dates of acquisition, be offset by reducing the paid up capital in the company by the same amount. A bylaw to accomplish this has been approved by directors of Rothmans Pall Mall Canada and Rothmans of Canada, the holding company of the Rothmans World Group, which holds 83 per cent. of Rothmans of Pall Mall Canada common shares.

In an interview, Mr. R. H. Hawkes, president of Rothmans of Pall Mall Canada said the write-off is "one of those things. Carling O'Keefe has suffered losses for the past few years and the directors felt it prudent to do it." Mr. Hawkes added that it will not affect retained earnings.

The write-off was anticipated in the 1974 annual report, in which the company and its auditors questioned the value of the goodwill accruing from the purchase of Carling O'Keefe shares.

Boeing earnings ahead

By Michael Donne,

THE Boeing Company's net earnings for the first six months of 1975 amounted to over $38.44m. on sales of just under $1,880m., representing $1.81 a share.

This compared with net earnings of just over $36m., or $1.70 a share, on sales of $1,810m. in the first half of 1974, according to Mr. T. A. Wilson, chairman.

During the first half of the year, Boeing delivered 97 jets—four 707s, 53 medium-range 727s, 30 short-range 737s, and ten 747 Jumbo jets. Current plans call for delivery of another 75 jets during the remainder of the year —five 707s, 37 727s, 22 737s and 11 Jumbos.

Orders announced in the first six months totalled 84 jets, including 16 Jumbos, compared with 110 in the first half of 1974.

Mr. Wilson says that research, development and other expenditures relating to new models, product improvements and other programmes are continuing at a high level.

Akzo sees no early recovery

BY MICHAEL VAN OS

AMSTERDAM, August 19.

ALL THAT can be said about Akzo's announcement of a Fls.48m. second quarter net loss is that it is lower than the loss in the previous quarter (Fls.58.8m.). Second quarter sales, at Fls.2.88bn., were 18 per cent. down on the same period last year.

At a Press briefing here to-day, Akzo chairman Mr. G. Kraijenhoff soon dispelled any hopes of a major recovery towards the end of the year. He refused to comment on the recent McKinsey estimate that Akzo's total loss would be in the region of Fls.180m. this year other than to say that the forecast had been made "a little while ago."

Pointing out that July and August were traditionally difficult months, Mr. Kraijenhoff added: "As far as the near future is concerned, we have not yet seen any indications of a recovery of any significance for our chemical fibre operations inside the EEC." The group was more optimistic about such activities outside the EEC, where profits were again being made, notably in the U.S., where business was picking up very well.

Results from chemical products continued to decrease. Akzo stated that sales in the first half were 10 per cent. lower than in the corresponding 1974 period. For phamaceuticals, consumer products and miscellaneous products, total sales and operating income for the first half remained on a par with last year.

Pharmaceuticals continued to develop "favourably." Stocks too high at the end of last year, were considerably reduced—by Fls.270m.—in the first half.

To-day the Akzo chairman concentrated on the problems surrounding Enka. He warned that the current negotiations between Enka—solely responsible for the Akzo losses—and the trade unions on the reorganisation of Enka must be concluded soon. "The reorganisation and the elimination of loss-making activities, which are absolutely essential, must start in a matter of weeks, not months." Any delay was bound to affect Akzo's other operations and plans of expanding areas where prospects were favourable.

The Akzo chief said that had the company not been compelled to scrap the reorganisation plans for Enka in 1972, following fierce Dutch trade union opposition and the Breda works occupation, "our losses would have been considerably lower to-day."

Mr. Kraijenhoff said that Akzo's main product group, chemical fibres, had shown an operating loss of Fls.240m. in the first half of this year. In all, some 60 per cent. of Akzo fibre sales to third parties are accounted for by Enka. "The structural reorganisation within this Akzo product group is necessary, and any cyclical upturn of activity will not alter that need," the Akzo chairman stressed. He also added that one should not count on the Dutch government offering assistance in the form of financial aid.

Referring to the Akzo financial position it was pointed out that in the first half, a number of long term loans had been arranged at home and abroad. As a result, taking into account loan redemptions, outstanding long term loans had increased by Fls.290m.

Akzo's liquid funds had declined to Fl.340m. at the half-way mark this year from Fl.624m. at the start of the year. Akzo board member Prof. Kruisinga said that given the current situation the group's financial position was still "very healthy." Some further deterioration of the cash position was still expected, but there was no cause for concern, he said.

See Lex, Back Page

Fuji defensive tactics

TOKYO, Aug. 19.

NET CONSOLIDATED income of Fuji Photo Film was $16.3m. ($21.8m.) for six months to June 30 on net sales of $345m. ($313m.). Net income per depositary share (each representing 10 shares of common stock) was $0.60 ($0.81).

The company said that earnings were affected by the economic recession in Japan although exports continued to grow. Sales of products for industrial use showed zero or negative growth.

Fuji added that while signs of an economic recovery have been reported, it does not expect a rapid improvement and will concentrate on improvements in efficiency and reducing costs.

Reuter

SEC allegation denied

FINANCIAL TIMES REPORTER

A SPOKESMAN for the Banque de Paris et des Pays-Bas (Suisse) to-day denied the charge made by the Securities and Exchange Commission that it had violated the anti-fraud provisions of the United States securities laws in connection with the 1971 offering of Pelorex Corporation common stock. The Bank spokesman stated that it had not entered into any transactions in Pelorex for its own account but only on behalf of a customer and at the customer's request.

Accordingly, the allegation, which has appeared in the Press, that the Bank withheld securities from public sale during the initial offering and then sold the shares at prices substantially in excess of the stated offering price, is without foundation.

The spokesman also stated that the transaction for the customer was in accord with the rules of the NASD

SELECTED EURODOLLAR BOND PRICES

STRAIGHTS	Bid	Offer
Amax 8¾pc 1986	99	100
Ashland 8pc 1987	89½	90½
Austrasswiss 8pc 1987	89	90
BFCE 9pc 1988	98	99
Borregaard 9½pc 1989	93	94
Carrier 8pc 1987	88½	89½
Conoco 8pc 1986	95½	96½
Consd. Foods 7¾pc 1991	84	85
Cutler Hammer 9pc 1987	90½	91½
EIB 9¾pc 1985	100½	101½
Esso 8pc 1986 Nov.	98	99
General Cable 8½pc 1987	88	89
General Motors 8½pc 1990	101½	102½
GTE 8½pc 1986	97	98
ICI 7½pc 1992	78	80
Nat. Grindlays 7½pc 1987	77	79
Pacific Light 8pc 1988	89	90
Prov. of Quebec 7½pc 1988	86	87
Quebec Hydro 8½pc 1989	93½	94½
Queensland 8½pc 1987	87	88
Scanraff 8½pc 1988	96	97
Shell 8pc 1986	97	98
Stand. Oil (Inc.) 8½pc 1988	99	100
Tenneco 7¾pc 1987	87	88
Transocean 8pc 1988	97	98
TRW 8½pc 1986	97	98
Utah 8pc 1987	89½	90½
Volvo 9½pc 1988	99	100

NOTES	Bid	Offer
Air France 8½pc 1982	100½	101½
Aust. Ind. Dev. 10½pc 1981	102	103
Barclays 7½pc 1978	96½	97½
Cie Ntl. du Rhone 10pc '82	102	103
Du Pont 7½pc 1978	100	101
Esso 7½pc 1978	99	100
General Motors 8½pc 1978	100½	101½
Marubeni 9½pc 1982	99	100
Nippon Fudosan 10½pc 1981	101½	102½
Skand. Enskilda 10½pc 1981	102½	103½
Tenneco 7½pc 1979	97	98
Tokyo Curacao 10½pc 1981	101½	102½

Source: White Weld Securities.

CONVERTIBLES	Bid	Offer
American Express 4¼pc '87	83	84
Ashland 5pc 1988	79	[illegible]
Beatrice Foods 4¼pc 1992	89	91
Beatrice Foods 4½pc 1992	90	92
Borden 5pc 1992	86	88
Broadway Hale 4½pc 1987	74	76
Canon Camera 7½pc 1989	84	86
Carnation 4pc 1987	82	84
Chevron 5pc 1988	95	97
Dart 4¾pc 1987	82	84
Eastman Kodak 4½pc 1988	111	113
Economic Labs. 4¾pc 1987	75	77
Eidai 7½pc 1989	84	86
Ford 6pc 1986	84	86
Ford 5pc 1988	72	74
Fuji 8½pc 1985	100	
General Electric 4¼pc 1987	92½	94½
Gillette 4¾pc 1987	71	73
Gould 5pc 1987	76	78
Halliburton 4¼pc 1987	124	126
Harris 5pc 1992	85	87
Hitachi 6¾pc 1984	98	103
Honeywell 6pc 1986	74	76
ITT 4½pc 1987	67	69
Komatsu 7½pc 1990	104	105½
J. Ray McDermott 4¾pc '87	137	139
Mitsui 8½pc 1989	135	
J. P. Morgan 4¼pc 1987	107	109
Motorola 4½pc 1983	110	113
Owens Illinois 4½pc 1987	97½	99½
J. C. Penney 4½pc 1987	73	75
Pioneer 8½pc 1989	128	
Rand Selection 6½pc 1986	94	98
Rank 4½pc 1993	39	41
Revlon 4¾pc 1987	92	94
Sperry Rand 4¼pc 1987	89	91
Squibb 4½pc 1987	78	80
Toshiba 6½pc 1990	102	[illegible]
Union Carbide 4½pc 1982	109	111
Warner Lambert 4½pc 1987	87	89
Warner Lambert 4½pc 1988	78	76
Xerox 5pc 1988	72	74

Source: Kidder, Peabody Securities.

Gallaher debt purchase boost

AMERICAN Brands said its third quarter earnings will reflect an extraordinary gain of about $10m. after taxes from purchases in the market for cancellation by its Gallaher British subsidiary of portions of two debt issues.

The company said that as of August 18, Gallaher had purchased about £11.7m. of the £18m. combined principal amounts of both debt issues which had been outstanding.

American brands said the credit will offset unrealised foreign exchange losses mainly due to the decline of sterling which have been charged to income in 1975.

Reuter

A. H. Hermann examines the significance of the European Court's interpretation of the EEC competition rules under the Treaty of Rome and the effect it will have on many business agreements

Business agreements neither dead nor alive

THE WIDESPREAD fear that the European Court has in some respects replaced the U.K. courts is unjustified. But it has created a situation in which the U.K. courts will be unable to decide disputes concerning a wide range of business agreements. It has interpreted the EEC Treaty in such a way that all agreements which might be out of step with EEC competition rules must be considered "provisionally invalid." Such agreements therefore neither oblige parties to do what they promised, nor justify claims for damages or for restitution of payments already made.

The European Court takes the view that if parties operate such agreements before the Commission has reached a decision (and this takes as a rule many years), they do so at their own risk. Unless U.K. judges take the view that this is contrary to the fundamental requirement of legal certainty, the business community will have to learn to live without litigation in matters involving EEC competition rules and try to settle any disputes by arbitration or conciliation.

In a series of decisions which the European Court has handed down since Britain signed the Treaty of Accession, the nature of EEC Competition Law has been fundamentally changed. The cumulative effect of these decisions has gradually emerged during the past two years, but there was little point in the U.K. demanding any reforms with its referendum on EEC in the offing. But now the changes in the rules can no longer be ignored.

Trends

Two trends are apparent in the EEC position. One is the enlargement of the scope of EEC competition rules far beyond the originally intended protection of inter-State trade. The other is the automatic invalidation of a wide range of loosely defined agreements, instead of the preview system which gave these agreements the benefit of the doubt until the Commission pronounced on them. The result now is great uncertainty about the validity and enforceability of business agreements and arrangements.

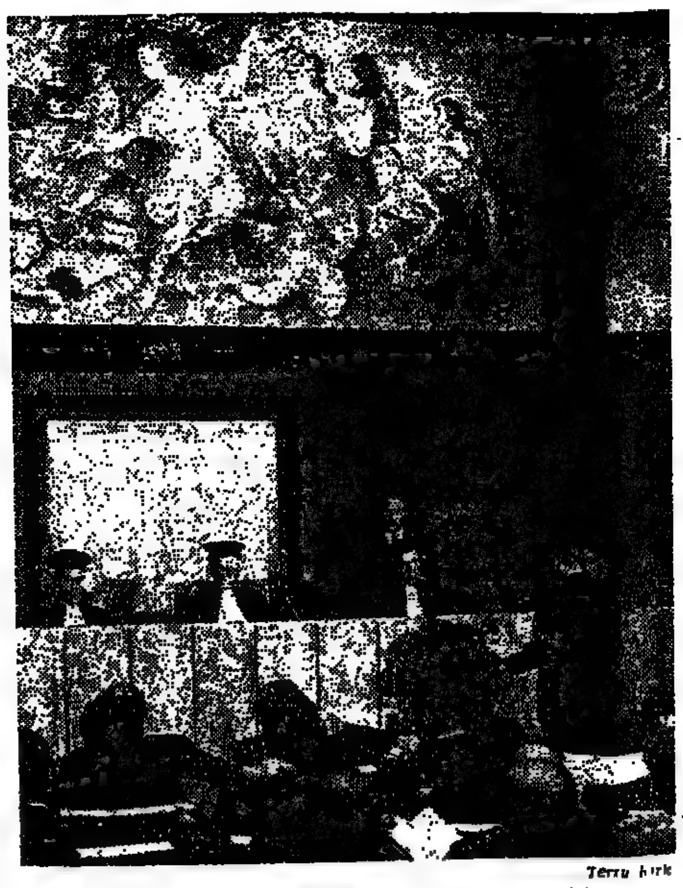
This deterioration in civil law status affects not only monopolies, cartels and takeovers. EEC Competition Rules can also put a question mark against the validity of such arrangements as exclusive dealing, selective marketing, patent licensing, trade mark protection, co-operation, and joint venture agreements. The Rules apply directly, in the same way as U.K. laws, to a multitude of business practices if it can be held that these have an "appreciable" effect on the competitive structure of the Common Market.

For example, a trade association can fall foul of these rules by recommending how retail trade margins should be calculated. An agreement which affects exports to non-EEC markets can be invalid within the EEC as long as it threatens the viability of an EEC exporter even if concluded outside of the Common Market between two non-EEC companies.

Expansion

This expansion of the Commission's jurisdiction has been achieved by three judgments. First, the decision in *Continental Can* gave the Commission power to stop companies in dominant positions getting stronger by, for example, acquisition and mergers. Second, in the *Dutch Cement Traders* the Court established the rule that agreements or trade associations' decisions which applied equally to imported and home-made products covering all of the country concerned, partitioned the Common Market "by their very nature." Finally, in *Commercial Solvents* the Court rewrote the EEC Treaty, which prohibits restrictive agreements "affecting trade between member States," by substituting the words "affecting the competitive structure of the Common Market." The court ruled on that occasion that (for example) preventing an EEC company supplying non-EEC markets could have this effect.

The court has swept overboard the concept of "provisional validity" of agreements which it had earlier developed by a series of judgments between 1962 and 1970. Indeed, in this period the European Court was the first to recognise the need for greater legal certainty than was provided to business by the Treaty and by Regulation 17. Article 85 of the Treaty prohibits certain restrictive agreements and practices, but provides exemption for agreements which show certain redeeming features. As Regulation 17 gave the exclusive power of granting exemptions to the Commission, there was uncertainty about the legal status of agreements before the Commission has pronounced on them. The Court therefore ruled that as long as agreements were duly notified to the Commission they were to be considered as "provisionally valid" until the Commission had given its final verdict.



Terry Kirk

The European Court: In a series of decisions it has handed down, the nature of the EEC Competition Law has been fundamentally changed.

Questions

When Britain joined the Common Market, much was made of the advantages to companies from notifying their restrictive agreements, first in escaping fines and, second, in gaining "provisional validity." However, on February 6, 1973, in a U-turn which took everyone, including the Commission, by surprise, the European Court abandoned its own concept of "provisional validity" and replaced it by what amounts to a system of provisional invalidity, leaving most agreements neither dead nor alive.

Answering questions put to it by a Belgian court in the case of Brasserie de Haecht and its tied publican Mr. Wilkin, and in a later decision concerning Belgian TV v. SABAM, the court established the doctrine that as the invalidity of prohibited agreements is in the Treaty, it cannot be suspended by notification of agreement. Unless a national judge can adjourn the case to give parties time to obtain the Commission's opinion, he will have to deal with the question of validity under EEC rules himself. This uncertainty will persist—and the onus will remain with the national court—even after the Commission has initiated proceedings and until it arrives at a decision, which usually takes several years.

While the Treaty of Rome prohibits agreements with an appreciable effect on competition *and* inter-State trade, the European Court established a stricter yardstick for the national judge by replacing the word "and" by "or". It instructed national judges to consider as valid only agreements which had neither the one nor the other effect.

This makes it unlikely that an argument will be found valid by the national court, but the same instructions also made it almost impossible for the court to declare an agreement invalid. Such a decision, said the European Court, can be taken by the national judge only if the incompatibility of the agreement with Article 85 is beyond doubt. As the Commission may exempt only *notified* agreements, only those which were not notified can be said to be incompatible with the Treaty beyond doubt.

What will the practical consequences be of this almost general "provisional invalidity" of agreements? Because of their invalidity the agreements will not justify claims that the parties should perform what they promised. But because this invalidity is only provisional it will be also insufficient to justify claims for damages or the restitution of any payments made under the agreement.

Withdrawn

In the Haecht decision the Court reserved "provisional validity" only to "old" agreements, that is, in respect of the Six, agreements concluded before March 13, 1962, and in respect of the enlarged Community, those in existence before January 1, 1973. However, the national judge has to take into account that the "provisional validity" of these agreements may be later withdrawn by the Commission with retrospective effect. Consequently, the judge may be ready to grant provisional remedies but would not necessarily feel in a position to deal with claims for damages and contractual penalties.

Additional uncertainties concerning "old" agreements arise from the differences between the Commission and the British Government regarding ex-territorial jurisdiction and further complications can result if an "old" agreement is modified or if use is made of standard contract forms. But even without these further technicalities, it is evident that although notification will still be desirable in those instances when there is a real and serious danger of fines, it has now no beneficial consequences for the civil status and enforceability of agreements.

Large British firms well informed about these changes are less willing to notify their agreements because the advantages of notification have disappeared while the extra work, expense and dangers connected with notification persist. All this is likely to have an adverse effect on the authority of EEC law and EEC institutions in the business community.

It seems that the present impossible situation could be resolved either by the Commission or by national courts in a variety of ways. First, the Commission could speed up its procedures, thereby reducing the period of uncertainty to reasonable proportions. This would be the easiest way because no legislation would be required, but it is also the most unlikely since by current standards a decision is fast if it is achieved within two years. The second possibility would be the adoption of further block exemptions which would reduce the number of agreements suffering legal uncertainty. Indeed, at the time of the Haecht judgment it was generally expected that the Commission would produce a block exemption for licensing agreements, which represent the bulk of agreements notified from the U.K. after accession. But now there is no indication that this will be forthcoming.

Solution

Finally it has been suggested that the Commission be given powers (by a regulation of the Council) to issue preliminary declarations of validity, much as it can issue preliminary declarations that an agreement is prohibited and unlikely to be exempt — thus depriving a notification of its capacity to give protection against fines. This would be a neat solution, provided that the Commission could be relied on to deal with applications efficiently and speedily.

The real solution is probably in the hands of national courts. The European Court has seen the problem of legal uncertainty and expressly left to the national judge the task of reconciling its instructions with the requirement of legal certainty. Moreover, as a fundamental principle of law, the requirement of legal certainty cannot be over-ruled by EEC law, and indeed is indispensable for that law, no less than for all other legal systems, if it is to survive as an effective and respected legal system. There can be no better way to promote the integration of the Community than by regaining certainty for its law.

HOME CONTRACTS

Marconi wins Army colour TV order

MARCONI COMMUNICATION SYSTEMS, a GEC-Marconi Electronics company, has signed the first of a series of contracts which will total more than £5m., under which it will supply equipment to bring British colour TV programmes to U.K. forces in West Germany. They have been placed by the Ministry of Defence (procurement executive), the British Forces Broadcasting Service being ultimately responsible for programme content. The overall project, due for completion by early 1978, will bring to the BAOR a single channel colour TV service comprising programmes selected from schedules of both BBC and ITV networks.

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JOHN LAING CONSTRUCTION, Midlands region, has been awarded a contract to build a new factory for the Caterpillar Tractor Company, Leicester. This will almost double the number of employees at the present plant at Desford, on the site of a former aerodrome. As well as a 400,000 square feet factory with an adjoining office and amenity building, the extension will include a waste treatment plant, roads, car parks, drainage and landscaping. Work has already started, and completion is scheduled by November 1976.

*

ROBERT MARRIOTT, of Rushden, Northants., has won a £360,000 contract to build three new schools on the site of a former hospital at Wellingborough

*

BAILEY METERS & CONTROLS (Babcock & Wilcox group) has received an order worth £120,000 from Unilever for the supply of an Abacus computer control system for the Günzach/Allgäu mill of a Unilever subsidiary, 4P Papier Günzach G.m.b.H. It will be a two-machine installation. A single Abacus will control basis weight, moisture content, machine speed, grade change and flowbox parameters on two adjacent paper machines. The system will also incorporate video displays and an information system to provide management with analysis of machine operation and performance.

APPOINTMENTS

Long John senior executive posts

Following the acquisition by Whitbread and Co. of LONG JOHN INTERNATIONAL, Mr. Howard Feldman and Mr. Ad Slone, who are directors of Schenley Industries Inc., have resigned from the Board of Long John. The following senior executives of Whitbread have joined the Board of Long John:—Mr. C. H. Tidbury, Mr. R. N. Farrington, Mr. G. R. Seymour and Mr. D. G. D. Webb.

*

Mr Arthur D. Fogg has joined EATON as managing director of its axle division in succession to Mr. Ronald T. Booth. Mr. Fogg was formerly staff director responsible for manufacturing services at British Leyland Truck and Bus Division.

*

Mr. Roger J. Franklin, who has been with R. LAYTON AND CO., stockbrokers, since 1964, is to join the partnership on September 2.

*

Mr. P. A. Slattery has been elected to the Board of MARINE AND GENERAL MUTUAL LIFE ASSURANCE SOCIETY on taking up his appointment as general manager of the Society in succession to Mr. H. C. H. Carpenter who has resigned from the Board on his retirement.

*

Mr. Roger H. Sherman has taken up his duties in London as senior resident officer, Europe, for CONTINENTAL ILLINOIS NATIONAL BANK AND TRUST COMPANY of Chicago. He succeeds Mr. Thomas Dowen, Jr., who has returned to the bank's Chicago headquarters for reassignment after three years in London.

*

Mr. D. S. Brown has joined the Board of SIR HOWARD GRUBB PARSONS AND CO. (a member of the Reyrolle Parsons Group) as technical director.

*

Mr. Brian Small has been appointed a director of INGERSOLL MANUFACTURING CONSULTANTS/ENGINEERS and has returned to the company's branch in Daventry, England, where he will concentrate on further expansion of consulting work in the engineering and metalworking industries in the Common Market and other European countries.

*

Mr. Peter J. C. Canet has been appointed to the Board of WATKIN ELLIOTT SYSTEMS ENGINEERS.

*

Three senior appointments in the travel division of AMERICAN EXPRESS are announced: They are Mr. Eric Brannan as manager, Edinburgh; Mr. Ted Keeble manager of the City travel office of Amex; and Mr. Joe McMahon manager, Southampton.

*

Three management appointments have been made by BRITISH RAIL Eastern Region: Mr. Kenneth Taylor becomes industrial relations officer at regional headquarters, York; Mr. James O'Brien is the new divisional manager, Doncaster; and Mr. George Vincent is now divisional operating manager, Leeds.

Aeroflot, the world's biggest airline, is paying £5m. for a U.S. on-line computer reservation system. **Roy Levine** reports

The three stages of a major trade deal with Russia

"VODKA is no more a part of the ritual of doing business in the Soviet Union than whiskey or beer is in the West," says Mr. Rom Slimak.

As general manager of USSR marketing for Sperry Univac he should know. Sperry Univac has just officially announced it is to supply Aeroflot, the world's biggest airline, with its first on-line computer reservation system for international flights—a contract worth £5m. initially.

All that vodka might seem a waste over a £5m. contract for a group whose revenue for the year to March 31, 1975 was £1.5bn. But Mr. Slimak takes special pride, not only because it was won in competition with IBM, but because there could be many more millions to come in the form of future contracts, like Aeroflot's domestic reservation system, worth perhaps £20m.

Furthermore, the contract announced this week is the first pay-off on Sperry Rand's corporate-wide exhibition it staged in Moscow last year. All its products were displayed as well as many senior executives including the chairman, Mr. Paul Lyet.

Thawing

If that effort seems extravagant, Sperry at least took the risk at a time when trade relations between Russia and the U.S. were thawing quickly, a vital clue to Mr. Slimak's contract.

The first stage in the protracted negotiations with the Russians was a co-operation agreement with the USSR State Committee for Science and Technology. This agreement, which indicates the degree of protocol and bureaucracy involved, simply outlines those areas in which trade between Sperry Rand and the Soviet Union *could be discussed.*

Projection

Sperry Univac then set about serious negotiations. It established a team of three *specialists (only one of whom* was fluent in Russian) in Moscow and prepared a proposal based on the reservation system Air France uses on a Univac computer. Air France was chosen because it was the nearest to Aeroflot's needs.

The keenness of Aeroflot to instal a computer system was based on its projection of carrying over 100m. passengers a year (admittedly only 7m. internationally) which is more than the combined passenger loads of major Western European airlines. When the Olympic Games are held in Moscow in 1980, over 1m. people will need to be transported into the heart of the Communist world. Finally, Aeroflot has plans to introduce its own supersonic plane by 1977 and, mostly for domestic purposes, its own wide-bodied aircraft.

Market

Given the scale of these operations it is somewhat surprising that one of the world's two space explorers cannot provide its own reservation system. To that, Mr. Slimak replies that what is required is not just the hardware, but the experience of designing airline reservation systems.

Almost the whole of that world market is shared between IBM and Sperry Univac, who have vied for almost every contract. Unwittingly, there was a three-pronged sales effort from IBM—by the Corporation itself, which made a proposal to the Russians, by BOAC (before the merger with BEA) hoping to provide the software, and by Leasco Corporation, hoping to help with finance.

But in the end, Sperry Univac *won in conjunction with* Air France. There is no doubt that Sperry Rand's expensive commitment in holding its corporate exhibition in Moscow impressed the Russians.

"The difference in negotiating with the Soviet Union is that you are dealing only with the State—there just is no other body," says Mr. Slimak. "Also, the decision making is very diffused."

There were three parties with whom he had to negotiate at the same time, not forgetting that an important fourth party had its own set of criteria—the U.S. government.

First, there was the Ministry of Foreign Trade, the main signatory to the contract, which had to satisfy itself that the terms of trade were acceptable. There were many proposed clauses to the contract it discussed and one of the most troublesome to Mr. Slimak was the "force majeure."

It is normal in the West to accept that "Acts of God" such as wars or earthquakes or strikes can interrupt delivery under a contract. But, as we know, in Russia even the expression "Acts of God" is not acceptable. In time, a compromise was arranged, although what additional risk it places on Sperry Univac is not made clear.

The second party was the State Committee for Science and Technology, which had already signed the co-operation agreement. The chairman of this body is Mr. Kerenin who is also the deputy prime minister of the USSR. The deputy chairman and signatory to the contract is Mr. Gvishiani, son-in-law to Mr. Kosygin, Russia's premier. It was he who examined the technology of the Univac 1106-11 multiprocessor system and decided it was up to scratch and would not become obsolescent in the near future.

Finally, there was Aeroflot itself whose general manager signed the contract after satis*fying himself that the job could* be done in time and at a reasonable cost.

When it came to deciding how the contract should be paid for, the terms were straightforward—cash would be paid in conjunction with the phased delivery of the system. And that cash would be in dollars. With no more ado, but probably more vodka, the contract was signed in June, 1974.

Licence

It now remained to get the export licence from the U.S. Department of Commerce. "One month after the signing we had *a full report with all relevant* details in Washington," recalls Mr. Slimak with pride. There are no general rules for getting export licences to the Soviet Union. Perhaps the fact that Univac is the biggest supplier of computers to the U.S. Government helped to quicken the process, for it is unusual to have one granted inside of 12 months.

"Before negotiating we found out from the U.S. Government unofficially what kind of equipment would be satisfactory for export to the USSR. But officially we can only apply once the contract is signed," says Mr. Slimak.

For security reasons, the Government satisfies itself that the equipment is not used for military purposes, can be used only for the purposes expressed in the contract, and that only that type of equipment — and nothing smaller—can do the job.

Setback

Half-way through the negotiations with the Department, Russia *turned* its back on the Trade Pact. In spite of that setback the Department was very positive in its support, recalls Mr. Slimak. When the export licence did finally come through the contract was vetted *by a Nato committee.*

For all these extra risks and procedures there are no additional commercial benefits in doing business with Russia—net margins are the same, admittedly on rather higher marketing costs. It is only because the whole Eastern European block is seen as a growth area that groups like Sperry Rand have gone to so much trouble. In its 1974-75 fiscal year, Sperry trebled the amount *of business it did with* the Comecon countries.

Whether it reaps the benefits of its efforts in getting more lucrative contracts from Russia remains to be seen.

So far Sperry Rand Corporation *has landed contracts for* the supply of harvesting machines for field tests, industrial equipment and marine navigation equipment for merchant vessels. However, these are small contracts and the *really big prizes* are still to come. While the ground work is done, whether Sperry actually gets more orders still depends on how Moscow-Washington trade relations develop.

CONTRACTS AND TENDERS

NOTICE FOR OFFSHORE DRILLING SERVICES

Petróleo Brasileiro S.A.—PETROBRAS, a state-owned oil company in Brazil, is in need of the following oil well drilling equipment, on a contract *basis, for operations on the Brazilian* continental shelf:

A)—1 (one) JACK-UP DRILLING UNIT with maximum operating water depth in the range of 150 to 250 feet and rated for drilling wells down to 20,000-25,000 ft. Cantilevered-type platform will be preferred.

B)—2 (two) TENDER-ASSISTED RIGS with the following requirements:
—water depth up to 200 ft;
rated for drilling in the range of 14,000 to 16,000 ft;
—equipped with flume tank;
—skid frame designed to allow moves of 15 ft. lengthwise and broadwise;
—operating on 20 ft. and 40ft. skid-beams and on 40' x *40', 50' x 50' and 70' x 70' upper decks.*

Contractual term:
—3 (three) years for the JACK-UP;
—2 (two) years for the TENDERS.

Startup:
—until January 1st, 1976.

The contract shall comprise chartering, operation, drilling services and related work.

Companies will be invited to submit their proposals, after the selection made by PETROBRAS, based on the following documents:

a)—a list of services rendered in offshore operations;
b)—a list of equipments in operation, showing type, capacity and places where they have operated;
c)—technical specifications of the equipment to be offered, construction and/or reconditioning year and availability date.

These documents will be confidentially treated by PETROBRAS, and should be addressed until next September 6th to:

PETROLEO BRASILEIRO S.A.—PETROBRAS
DEPARTAMENTO DE EXPLORAÇÃO E PRODUÇÃO
Avenida República do Chile, 65—14° andar—ZC-06
Rio de Janeiro—RJ—20.000
Brasil

Additional information may be obtained from PETROBRAS foreign offices, as follows:

PETROBRAS/ESNOR
New York Office
1221 Avenue of the Americas,
22nd floor
New York, NY 10020
Phone no. (212) 869-3100

PETROBRAS/ESLON
London Office
77 South Audley St., 2nd. fl.
London W1Y
Phone no. (01) 499-7542

PETROBRAS/ESCEU
Central European Office
19 Avenue Montaigne
75008 Paris—France
Phone no. 266-6733

COMPANY NOTICES

GOLD FIELDS GROUP

GOLD FIELDS PROPERTY COMPANY LIMITED

(Incorporated in the Republic of South Africa)

DECLARATION OF DIVIDEND No. 114—
UNITED KINGDOM CURRENCY EQUIVALENT

In accordance with the Conditions relating to the payment of Dividend No. 114 declared on 28 July 1975, payments from the office of the United Kingdom Registrar will be made in United Kingdom currency at the rate of exchange of R1.510920 South African currency to £1 United Kingdom currency, this being the first available rate of exchange for remittances between the Republic of South Africa and the United Kingdom on 18 August 1975, as advised by the Company's South African bankers.

The United Kingdom currency equivalent of Dividend No. 114 of 8.0 cents per share is therefore 5.29479p per share.

London Office:
49, Moorgate EC2R 6BQ.
United Kingdom Registrars
Lloyds Bank Limited,
Registrar's Department,
The Causeway,
Goring-by-Sea,
Worthing,
West Sussex BN12 6DA.

By Order of the Board,
C. E. WENNER,
H. J. GREEN,
Joint London Secretaries.

19 August, 1975

BOND DRAWINGS

CHILEAN EXTERNAL LONG TERM DEBT—LAW NO. 8962

CHILEAN 6% LOAN 1928

NOTICE IS HEREBY GIVEN that a Drawing of Bonds of the above loan took place on 11th August 1975 attended by Mr. Keith Francis Croft Baker of the firm of John Venn & Sons, Notary Public, when the following bonds were drawn for redemption at par on 1st September 1975, from which date all interest thereon will cease:—

2 BONDS OF £1 000 NOMINAL CAPITAL EACH
NUMBERS:
76 162

12 BONDS OF £500 NOMINAL CAPITAL EACH
NUMBERS:

621	628	629	644	810	1018	1023	1079	1221
1367	1485	1487						

114 BONDS OF £100 NOMINAL CAPITAL EACH
NUMBERS:

[illegible]	1523	1524	1615	1704	1743	[illegible]	1758	2039
2153	[illegible]	2362	2395	2565	2719	2727	2731	2782
2790	2793	2812	2813	2824	3030	3122	3277	3353
3360	3449	3516	3612	3651	3733	3785	3801	3964
4151	4303	4396	4465	4953	5035	5055	5139	5604
5659	[illegible]	5745	5803	5914	6085	6095	6261	6309
6355	6359	6360	6384	6445	6452	6453	6462	6529
6537	6540	6546	6553	6559	6567	6571	6579	6591
6597	6604	6615	6700	6801	6937	7005	7104	7206
7442	7510	7676	7771	7843	[illegible]	8138	8275	8351
8435	8550	8712	8821	9145	9258	9386	9440	9708
9792	10023	10069	10182	10243	10455	10567	10823	11067
11115	11170	11193	11226	11389	11451			

128 Bonds amounting to £11 400 nominal capital.

Witness: K. F. C. Baker, Notary Public.

Each of the above bonds when presented at the office of N. M. Rothschild & Sons Limited for redemption must bear the coupon dated 1st March 1976, and all subsequent coupons, otherwise the amount of the missing coupons will be deducted from the principal to be repaid.

The usual interval of four clear days will be required for examination.

CHILEAN 6% LOAN 1929

NOTICE IS HEREBY GIVEN that a Drawing of Bonds of the above loan took place on 11th August 1975 attended by Mr. Keith Francis Croft Baker of the firm of John Venn & Sons, Notary Public, when the following bonds were drawn for redemption at par on 1st September 1975, from which date all interest thereon will cease:—

4 BONDS OF £1.000 NOMINAL CAPITAL EACH
NUMBERS:
188 275 370 474

9 BONDS OF £500 NOMINAL CAPITAL EACH
NUMBERS:

545	778	814	962	1017	1161	1364	1437	1440

99 BONDS OF £100 NOMINAL CAPITAL EACH
NUMBERS:

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
5227	5238	5247	5362	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
5795	5797	5909	5952	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
6499	6820	6628	6666	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
7428	7574	7640	7719	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
8210	8273	8539	8654	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
8988	9007	9115	9353	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
10199	10520	10758	10854	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

112 Bonds amounting to £18.400 nominal capital.

Witness: K. F. C. Baker, Notary Public.

Each of the above bonds when presented at the office of N. M. Rothschild & Sons Limited for redemption must bear the coupon dated 1st March 1976, and all subsequent coupons, otherwise the amount of the missing coupons will be deducted from the principal to be repaid.

The usual interval of four clear days will be required for examination.

New Court, St. Swithin's Lane, London EC4P 4DU.
20th August 1975.

COMISION FEDERAL DE ELECTRICIDAD
C.F.E.

8½% 1969/1979 UA 10.000.000 loan

Bonds for the amount of UA 1.000 000 have been drawn on August 5 1975 in the presence of a Notary Public for redemption on October 8, 1975.

The following Bonds will be reimbursed coupon due April 8, 1976 attached:
7507 to 8506 inclusive.

Amount unamortised: UA 4.000.000

Outstanding drawn Bonds:
7414—8842 and 8843—8848—8868 to 8877 incl.—8881 and 8882—8898 and 8899—8910 to 8923 incl.—8931 to 8934 incl.—8936—9080 and 9081—9271 and 9272—9274—9302 to 9305 incl.—9322—9435 and 9436—9474—9476 and 9477—9527—9555.

THE TRUSTEE
FINIMTRUST S.A.

Luxembourg, August 20, 1975.

FINAL DIVIDEND 1975
THE COMMERCIAL BANKING COMPANY OF SYDNEY LIMITED
(Incorporated in New South Wales)

NOTICE IS HEREBY GIVEN that for the purpose of payment of dividend the Transfer Books and Register of Members will be closed from 19th to 26th September, 1975, both days inclusive.

Transfers for registration prior to such closing must be lodged before 3 p.m. on Wednesday, 10th September, 1975.

By Order of the Chief Board,
I. S. MACKENZIE,
Chief Manager, London.

N.V. PHILIPS' GLOEILAMPENFABRIEKEN
established at Eindhoven, The Netherlands

U.S.$100.000.000 4¼% Convertible Debentures 1968/1983 convertible into ordinary shares of N.V. Gemeenschappelijk Bezit van Aandeelen Philips' Gloeilampenfabrieken

With regard to the provisions in Article II of the Trust Deed the undersigned herewith announces that its report concerning its activities during the year 1974 is available for debenture holders at its office, *Keizersgracht 558,* Amsterdam. A translation into the English language can be obtained, inter alia, at the office of
N. M. Rothschild & Sons Limited,
New Court, St. Swithin's Lane,
LONDON EC4P 4DU, England.
Amsterdam, August 1975.
The Trustee,
N.V. NEDERLANDSCH ADMINISTRATIE- EN TRUSTKANTOOR.

CLASSIFIED ADVERTISING RATES

	Per single column centimetre
Appointments	£9.00
Industrial and Business Property	£9.00
Residential Property	£9.00
Business Opportunities	£11.00
Educational	£9.00
Motors	£9.00
Hotels and Travel	£9.00

The minimum depth of display advertisements and of boxed classified advertisements is: Three single column centimetres.

Larger advertisements are only accepted in multiples of whole centimetres.

Premium positions available—rates on request. Write to: Classified Advertisement Department, Financial Times, 10, Cannon Street, EC4P 4BY.

WALL STREET + OVERSEAS MARKETS + FOREIGN EXCHANGES

Index drops 14 on economic fears

BY OUR WALL STREET CORRESPONDENT

NEW YORK, August 19.

SHARP LOSSES hit Wall Street to-day, giving the Stock Market its worst hammering in more than three months. Amid apprehension that rising interest rates and reviving inflation will damp the current economic recovery.

The Dow Jones Industrial Average dropped 14.24 to 808.51 and the NYSE All Common Index gave way 71 cents to $45.23, while declines outnumbered advances by a four-to-one majority. Trading volume expanded 4.18m. shares to 14.99m.

Stocks were already declining *broadly when the* Assistant Treasury Secretary for Economic Policy, Sidney L. Jones, warned that while the economy is recovering, the next few months are "likely to be a turbulent period." *He said monetary policies will* probably be under intense pressure to respond to inflation and unemployment developments, and added that prices might escalate sharply in the next few months.

Analysts also cited New York City's lingering financial problems.

Some Banking shares were hit hard following bearish speculation on the risks involved for banks connected with the rescue operation of New York City from financial collapse. J. P. Morgan dropped $3 to $53⅞, and Chemical New York $1⅜ to $35.

Texas Gulf and Oil, the most active issue, slipped $¾ to $14—a block of 515,400 shares traded at $13.

Natomas lost $1¾ to $24¾—the Securities and Exchange Commission filed a civil complaint charging Natmas and Thermal Power *with violating Securities Fraud* Laws in a 1974 tender offer involving the two companies.

...Utah International fell $6¾ to $53¾—Australia said it will introduce a coal export duty.

General Dynamics gave way $3 to $39, U.S. Steel $1½ to $62½, General Motors $1⅛ to $48, IBM $3⅝ to $178½, Union Carbide $2⅛ to $60½, Philip Morris $1⅜ to $43, and International Paper $2½ to $53⅝.

Dow Chemical were off $1½ to $89½, Lone Star Gas $1¼ to $23¼, Standard Oil of Ohio $2¾ to $78¼, and Procter and Gamble $2¼ to $84⅞.

American Family were lowered $1⅛ to $7⅛—a block of *233,000* shares traded at $6.

Dayton Hudson gained $⅞ to $19⅝ on sharply higher fiscal second quarter net.

Gold Minings were lower as *bullion prices eased on* Europe on rumours the U.S. Treasury may make another gold auction.

The American SE Market Value Index moved down 1.13 to 84.99, with declines outnumbering advances by 437 to 131.

Syntex the mos active issue fell $1⅞ to $30 on 119,500 shares.

Westates Petroleum dipped $⅞ to $9¼, while Frigitemp eased $⅜ to $9⅞ on its agreement in principle to acquire Griggs Equipment for $3.45m. in stock.

OTHER MARKETS

Canada lower

Canadian Stocked markets also lost ground in light trading yesterday.

The Gold Share Index dropped 6.89 to 351.22, Industrials lost 0.98 to 185.91, Base Metals 0.04 to 77.24, Western Oils 2.27 to 189.27, Utilities 0.52 to 127.95 and Papers 0.77 to 109.71. But Banks put on 0.44 to 269.49.

Moore further declined $1½ to $44¾ on 17,049 shares. Vulcan Industrial Pacwaging fell $1 to 12¾ and Pacific Petroleums lost $½ to $23½.

PARIS—Irregular in quiet trading. *The raising of the* Call Money rate to 7½ per cent. from 7¼ per cent. was more, or less, offset by signs of economic recovery in the U.S. and West Germany.

Banks were well maintained, although Credit Commercial eased slightly. Dealings resumed in Paternelle, up Frs.10 to 152.50 following news of its restructuring *plans*.

Constructions and Electricals were iregular, while Metals were steady.

Americans and Germans were weaker, Belgians firmed, while Foreign Oils, Golds and Coppers slipped back.

BRUSSELS—Slightly down in slack trading.

Steels and non-Ferrous Metals were largely unchanged, but Electricals improved slightly.

In Chemicals, Gevaert moved ahead Frs.18 to 1,208.

Holdings were little changed.

Dutch issues improved with Unilever up Frs.20 to 1,625. In West Germans, Bayer improved Frs.20 to 1,820.

U.S. shares showed little significant change. IBM firmed Frs.3 to 7,403, General Motors rose Frs.30 to 2,035 and ITT put on Frs.38 to 850. But Union Carbide lost Frs.25 to 2,440 and Westinghouse shed Frs.6 to 628.

AMSTERDAM—Mixed trend in limited trading.

Akzo held unchanged at Fls.36, despite a net loss of Fls.48m., which apparently had already been discounted.

Unilever improved Fls.1.2 to 107.70 and Royal Dutch were up Fls.0.50 to 97.30.

The Banking sector was mixed. Amsterdam Rotterdam Bank gave way Fls.2 to 74.3, despite a 16.5 per cent. rise in first-half year earnings. Algemene Bank Nederland advanced Fls.5.50 to 334, and Slavenburg's Bank at Fls.276 were up 3.

GERMANY—Early gains were mostly lost as markets reacted sceptically to the Government's Council of Economic Advisors forecast of a real-economic growth rate of 6 per cent. and a drop in inflation to between 4 and 5 per cent. in 1976.

Leading Banks, Chemicals and Electricals showed very small losses while Daimler and GHH led Motors and Machinery shares up to two marks down. Stores were mixed, while Steels were steady. AEG shed DM0.30 to 78.3 after announcing negative first *half* 1975 results.

On the Bond Market, both Industry and Government issues were little changed. Deutsche Bundesbank bought DM2m. worth of Public issues to support prices.

SWITZERLAND—Markets edged lower over a fairly broad front in increased turnover. Further short-time working announced by Swiss Industrial firms prompted some selling.

Banks, Financials and Insurances lost ground.

Union Bank were off Frs.30 at 2,960 and Swiss Bank Corp. were down Frs.4 to 421.

Juvena eased Frs.5 to 415 in active trading.

Machine-maker Buchrle were actively traded and lost Frs.25 at 1,075.

Dollar stocks moved irregularly lower in a moderately active Foreign sector. Dutch Internationals and Germans were generally very steady.

MILAN—Market eased over a broad front in fairly active trading.

All leading Industrials lost ground, as did major Banks and Insurances.

In Financials, Bastogi shed Lire 15 to 1,270 but IFI Preferred firmed Lire 30 to 2,120.

Bonds were steadier on selective buying.

HONG KONG—Moderate gains increased trading after Hong Kong Electric's takeover for Hong *Kong Gas was allowed to lapse.*

Hong Kong Bank were up 50 cents to $HK15.10, Hong Kong Land 15 cents to $HK6.45, Hutchison 4 cents to $HK1.68, Wheelock 7.5 cents to $HK2.55, Jardine 20 cents to $HK21.70, Hong Kong Electric 5 cents to $HK3.40, China Light 30 cents to $HK14.50.

TOKYO — Slightly lower. Volume 100m. (90m.) shares.

Dredging, Shippings, Real Estates, Minings and Precision Instruments lost ground along with some of Rubbers and non-Ferrous metals.

In generally weak Light Electricals, Sony shed Y30 to 3350.

Housings and Constructions *were favoured on reports that* the Government had decided to begin the construction of a bridge to link Shikoku Island *with the Japanese* mainland in October as part of its measures to reflate the economy.

Sekisui Prefab rose Y10 to 1,580, Daiwa House Y6 to 668, and Shokusan Jutaku Y15 to 520.

AUSTRALIA—Generally mixed in subdued trading ahead of the Budget.

Profit-taking depressed Pancontinental 24 cents to $A6.06, but Utah gained 10 cents to $A5.20.

Bank of New South Wales shed 10 cents to $A6.

JOHANNESBURG—Gold shares were quietly easier, reflecting the fractionally lower bullion price and also general lack of support. "Heavyweights" were little *tested, with most trading in* "marginal" and "speculative" shares.

Indices

NEW YORK

DOW JONES AVERAGES

Close	Home Bonds	Transport	Indus.	Util.	Trading volume† 000's
Aug. 19	67.75	158.47	808.51	77.45	14,990
18	68.07	158.60	822.75	78.09	10,810
15	68.18	158.23	826.64	77.68	10,610
14	68.27	156.67	817.04	77.28	13,480
13	68.26	156.27	820.66	77.84	12,000
12	68.28	157.55	828.84	78.38	14,510
11	68.25	156.59	823.76	78.22	12,360
8	68.25	156.65	817.74	78.67	11,660
7	68.28	156.63	816.70	78.64	12,390
6	68.24	156.71	813.67	78.48	16,280
5	68.31	156.79	810.16	78.67	16,470
4	68.57	157.98	818.05	79.05	12,620
1	68.64	160.40	826.50	79.63	13,320
July 31	68.61	161.63	831.51	79.50	14,540
30	68.82	161.26	831.66	79.34	16,150
29	68.96	159.39	824.86	79.50	19,000
28	68.83	160.23	827.85	80.11	14,260
1975 High	68.92 (4/4)	174.12 (6/6)	881.81 (15/7)	87.07 (24/6)	—
Low	66.16 (3/1)	146.47 (2/1)	632.04 (2/1)	72.02 (2/1)	—
All-time High	—	279.88 (7/2/69)	1051.70 (11/1/73)	163.32 (20/4/65)	—
Low	—	13.23 (8/7/32)	41.22 (8/7/32)	10.58 (28/4/42)	—

† Excluding bonds.

IND. DIVIDEND YIELD p.c.

Aug. 15	Aug. 8	Aug. 16 1974
4.67	4.75	6.15

N.Y. SE ALL COMMON INDEX

December 31, 1965=50.

1975 High	1975 Low	Aug 19	Aug 18	Aug 15	Aug 14	Aug 13
51.24 (15/7)	37.06 (2/1)	45.23	45.94	46.02	45.84	45.90

RISES AND FALLS

Issues traded	Up	Down	Unchanged
1,778	267	1,124	387

	Aug 19	Aug 18	Aug 15	Aug 14	Aug 13
New Highs	8	7	7	8	11
" Lows	28	18	16	28	17

AMERICAN SE MARKET VALUE INDEX

Starting base 100 Aug. 31, 1973.

1975 High	1975 Low	Aug 19	Aug 18	Aug 15	Aug 14	Aug 13
96.60 (15/7)	62.20 (2/1)	84.99	86.12	86.18	85.85	86.00
Volume (000's)		1,516	1,220	1,520	1,310	1,500

STANDARD AND POORS U.S. STOCK INDICES

		*Industrials	†Composite
Aug.	19	95.25	84.95
"	18	96.77	86.20
"	15	96.06	86.36
"	14	96.11	85.60
"	13	96.49	85.97
"	12	97.88	87.12
"	11	97.22	86.55
"	8	96.58	86.02
"	7	96.87	86.30
1975 High		107.40 (15/7)	96.61 (15/7)
1975 Low		77.71 (8/1)	70.74 (8/1)

* 425 Industrials. † 425 Industrials, 50 Utilities, 25 Rails.

STOCK AND BOND YIELDS

	Aug. 13 1975	Aug. 6 1975	Aug. 22 1974
Ind. Ord. yield p.c.	3.95	3.94	4.67
Ind. Ord. p/e ratio	10.56	10.58	11.78
Long-term Govt. Bds. per cent.	5.98	5.98	6.78

TUESDAY'S ACTIVE STOCKS

	Stocks traded	Closing price	Change on day
Texas Oil Gas	501,100	14	—¾
Amer. Family	295,200	7⅛	—1⅛
Texas Utilities	275,000	18¾	—⅜
Sony	243,300	10¼	—⅜
Pamida	208,500	6	—⅜
Eaton	186,800	39⅜	—⅜
Columbia Gas	152,200	22⅛	—1¼
Aetna Life Cos.	145,000	30⅛	—1⅛
Philip Morris	142,700	43	—1⅜
Transamerica Cpn.	137,100	9⅝	—⅜

TORONTO

INDUSTRIAL INDEX

Aug. 19	Aug. 18	1975 High	1975 Low
185.91	186.89	195.50 (15/7)	159.41 (2/1)

MONTREAL

INDUSTRIAL INDEX

Aug. 19	Aug. 18	1975 High	1975 Low
193.35	194.81	205.01 (15/7)	159.06 (2/1)

COMBINED INDEX

Aug. 19	Aug. 18	1975 High	1975 Low
188.12	189.30	198.90 (15/7)	158.02 (2/1)

JOHANNESBURG

	Aug. 19	Aug. 18	1975 High	1975 Low
Industrials	218.6	219.2	226.9 (16/7)	183.2 (22/1)
Golds	261.7	266.3	379.1 (3/1)	261.7 (19/8)

(1958=100.) Source: Rand Daily Mail.

MELBOURNE YIELDS

Av'ge yield on 50 Leading Stocks	Aug. 14	Aug. 7	July 31
On Dividends	7.57	7.51	7.53
On Earnings	14.12	14.05	14.15

SYDNEY ALL ORD. INDEX

Aug. 19	Aug. 18	High 1975	Low 1975
365.19	363.01	393.56 (4/8)	265.98 (9/1)

TOKYO NEW SE INDEX

Base=100 January 4, 1968.

Aug. 19	Aug. 18	High 1975	Low 1975
311.80	312.10	333.11 (8/7)	268.24 (10/1)

HONG KONG INDEX.*

Aug. 19	Aug. 18	High 1975	Low 1975
302.74	297.84	341.57 (8/8)	160.42 (8/1)

SINGAPORE INDEX §

Aug. 19	Aug. 18	High 1975	Low 1975
217.80	216.51	268.60 (11/8)	153.96 (8/1)

EUROPE

	Aug. 19	Previous	1975 High	1975 Low
Belgi'm (a)	108.45	108.52	111.81 (15/5)	89.07 (2/1)
Denm'k (b)	91.80	93.14	93.20 (18/8)	73.06 (13/1)
France (d)	67.1	67.3	72.6 (25/4)	51.70 (2/1)
Germ'y (e)	702.8	704.3	726.1 (15/4)	573.5 (9/1)
Holland (f)	97.9	98.1	107.6 (6/6)	83.8 (8/1)
Italy (g)	81.17	81.85	102.86 (21/2)	81.17 (19/8)
Spain (h)	98.54	98.45	110.96 (22/4)	90.50 (4/7)
Sweden (k)	390.01	390.90	391.44 (1/8)	310.56 (8/1)
Switz'r'd (m)	284.3	288.9	296.1 (6/6)	206.5 (2/1)

Indices and base dates (all base values 100:—(a) Belgian S.E. 31/12/63. (b) Copenhagen S.E. 1/1/73. (d) Paris Bourse 1961. (e) Commerzbank December 1953. (f) Amsterdam Industrial 1970. (g) Milan 2/1/73. (h) Madrid S.E. 31/12/74. (k) Stockholm Industrial 1/1/58. (m) Swiss Bank Corp. 31/12/58. (n) Unavailable. ◆ Hang Seng Bank 31/7/64. § Straits Times 1966. (c) Closed. † Adjusted.

Pound improves

Sterling recorded gains against the U.S. dollar and major currencies in general yesterday, but conditions in the foreign exchange *market remained very quiet.* The U.S. unit eased in early trading, but recovered most of its early losses by lunch, only to fall again in the afternoon, following selling of the dollar in New York. *Trading, however, was very thin* and Eurodollar interest rates very generally unchanged, in a quiet market.

The pound began at $2.1110-2.112 and after falling to $2.1080-2.1090, *touched a high for the day* of $2.1180-2.1190. The closing rate was $2.1173-2.1183, a gain of 93 points on the day.

Sterling's trade-weighted average depreciation against ten major currencies since the Washington Currency Agreement (as calculated by the Bank of England) improved to 27.7 per cent., from 27.8 per cent. previously, having stood at 27.8 per cent. at noon and in early dealings. The dollar's trade-weighted average depreciation against 14 units, since the Washington Agreement widened to 3.64 per cent., from the previous 2.41 per cent. Sterling's depreciation on a similar basis narrowed to 33.46 per cent., from 33.64 per cent.

Gold lost $½ an ounce to close at $161½-162. The krugerrand for domestic delivery ended at $170-$171½ (£80½-81), compared with $169¾-171¼ (£80½-81½).

EXCHANGE CROSS-RATES

Aug. 19	Frankfurt	New York	Paris	Brussels	London	A'sterdam	Zurich
Frankf't	—	2.6535-60	58.78-88	6.69-70	5.40-41	97.35-47	96.06-20
N. York	39.16-20	—	23.04-07	2.626-629	2.1200-1215	38.20-23	37.63-65
Paris	169.635-.080	4.3515-3615	—	11.405-430	9.1835-208	165.25-65	163.30-70
Brussels	14.84-93	38.14-19	8.73-78	—	80.40-59	14.45-54	14.27-36
London	5.40¾-41¾	2.1173-83	9.19¼-20¼	80.60-80.80	—	5.62¼-56¼	5.62½-63¼
Am'erdam	102.575-625	2.6317-42	60.40-45	6.8915-65	5.5516-85	—	98.64-69
Zurich	103.91-.09	2.6575-66	61.15-61.21	6.975-985	5.627-5536	100.37-.48	—

U.S. $ in Montreal. U.S.$=103.68-70 Canadian cents. Canadian $ in New York. $C1=96.37-39 U.S. cents. U.S. $ in Milan 667.25. Sterling in Milan 1407.65-[illegible]

EURO-CURRENCY INTEREST RATES*

Aug. 19 1975	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	W.German mark	Swiss franc
†Short term	9¼-9¾	5¾-6¼	5½-6½	1¾-2¼	½-⅝	—
7 days notice	9¼-9¾	5⅞-6⅛	6½-7½	1¾-2¼	⅝-1	—
Month	9¾-10⅛	6⅛-6⅜	7-7⅛	2⅛-2⅝	2-2⅛	1⅞-2⅛
Three month	10⅛-10⅞	7⅛-7⅜	8¼-8⅞	3⅛-3⅜	3⅝-3⅞	3-3¼
Six months	11⅝-12	8-8⅜	8½-8⅞	5-5¼	4-4⅜	4¼-4½
One year	12⅛-12½	8½-9	9-9⅜	5⅞-5⅝	5⅞-5½	5⅛-5⅝

Euro-French deposit rate short-term 6¾-7¼ per cent.; seven days' notice 6¾-7¼ per cent.; one-month 7¼-7¾ per cent.; three months 8¼-8¾ per cent.; six months 9¼-9¾ per cent.; one year 10-10½ per cent.

Longer-term Eurodollar deposits: two years 8¾-9 per cent.; three years 9¼-9½ per cent.; four years 9½-9¾ per cent.; five years 9¾-10 per cent.

The following nominal rates were quoted for London dollar certificates of deposit: one month 6 7/16-6 5/16 per cent.; three months 7 5/16-7 1/16 per cent.; six months 8 1/16-7 15/16 per cent.; one year 8¼-8½ per cent.

* Rates are nominal closing rates.

† Short-term rates are call for sterling, U.S. dollars and Canadian dollars and two days notice for guilders and Swiss francs.

GOLD MARKET

	Aug. 19 1975	Aug. 18 1975
Gold Bullion (a fine ounce) Close	$161½-162	$161¾-162¼
Opening	$161½-162¼	$162-163
Morning fixing	$161.6 (£76.588)	$162.25 (£77.025)
Afternoon fixing	$161.35 (£76.325)	$161.7 (£76.671)
Gold coins (domestically) Krugerrand	$170-171½ (£80½-81)	$169¾-171¼ (£80½-81½)
New sov'r'gn	$52-53½ (£24½-25¼)	$52¼-53¾ (£24¾-25½)
Old sov'reign	$51½-53 (£24¼-25)	$51¼-52¾ (£24¼-25)
Gold coins (Int'n'lly) Krugerrand	$165¾-167¾ (£78¼-79¼)	$166½-168½ (£79-80)
New sov'r'gn	$49¼-50 (£23¼-23¾)	$49½-50¼ (£23½-24)
Old Sov're'gn	$49¼-50 (£23¼-23¾)	$49½-50¼ (£23½-24)
$20 Eagles	$249-252	$250-253
$10 Eagles	$116-119	$117-120
$5 Eagles	$83-86	$84-87

FOREIGN EXCHANGES

Aug. 19 1975	Bank Rates %	Market Rates: Day's Spread	Market Rates: Close
New York	8	2.1080-2.1190	2.1173-2.1183
Montreal	8¼	2.1900-2.2000	2.1989-2.2009
Amsterdam	6	5.55-5.58½	5.56½-5.58½
Brussels	†6½	80.45-80.80	80.60-80.80
Copenh'gen	7½	12.54-12.58	12.56½-12.57½
Frankfurt	4	5.40-5.44	5.40¾-5.41¾
Lisbon	6½	55.85-56.10	55.75-55.95
Madrid	†7	122.7-123.25	123.05-123.25
Milan	7	1,406-1,412	1,410-1,412
Oslo	5½	11.48½-11.52	11.50½-11.51½
Paris	8½	9.18½-9.21	9.19½-9.20½
Stockholm	7	9.06-9.09	9.06½-9.07½
Tokyo	7½	626-636	630-632
Vienna	6	38.05-38.60	38.05-38.25
Zurich	4½	5.60-5.64	5.62½-5.63½

† Basic discount. ‡ Rates given are for convertible francs: closing financial franc 83.35-83.55.

OTHER MARKETS

			§Notes Rates
Argentina	◆70.75-70.95	Argentina	170-200
Australia	1.6425-1.6585	Austria	37½-38½
Brazil	17.36-17.56	Belgium	82-84
Finland	7.96-7.97	Brazil	21-25
Greece	68.765-70.482	Canada	2.16-2.18
H'ng Kong	10.68-10.70½	Denmark	12.42-12.62
Iran	142.0-144.0	France	9.10-9.30
Kuwait	0.605-0.615	Germany	5.35-5.55
Luxemb'g	80.60-80.80	Greece	67½-69½
Malaysia	5.5165-5.5570	Italy	1480-1510
N.Zealand	1.9752-1.9894	Japan	620-650
Saudi Arab	7.30-7.45	Nethr'l'ds	5.60-5.70
Singapore	5.245-5.265	Norway	11.35-11.55
S.Africa	1.5015-1.5163	Portugal	54½-57
U.S.—Canada		Spain	120-125
C$1=		Sw'tz'land	5.55-5.75
U.S. cents	96.28-96.31	U.S.	2.09-2.12
		Yugos'l'a	56½-58½

§ Based on rates quoted by specialist dealers. Other rates may be quoted elsewhere. ◆ Rate given is the commercial rate: financial rate 89.80-90.00.

FORWARD RATES

—	One month	Three months
New York	0.75-0.65 c.pm	1.80-1.70 c.pm
Montreal	0.50-1.40 c.pm	1.55-1.25 c.pm
Amst'dam	4¼-3¼ c.pm	10¼-9¼ c.pm
Brussels	40-20 c.pm	80-60 c.pm
Cop'nh'g'n	8¼-5¼ ore pm	15½-12½ ore pm
Frankfurt	4-3 pf. pm	10½-9½ pf pm
Lisbon	40 c.pm-30 c. dis	90 c.pm-30c.dis
Milan	2-5 lire dis	11½-15½ lire dis
Oslo	5-3 ore pm	10½-8½ ore pm
Paris	3-1 c.pm	6-4 c.pm
Stockh'lm	5-1 ore pm	6-4 ore pm
Vienna	40 gro pm par	70-40 gro pm
Zurich	4¼-3¼ c.pm	11-10 c. pm

Six-month forward U.S. dollar 3.70-3.60c pm and 12-month 7.30-7.20c pm.

OVERSEAS SHARE INFORMATION

Investment premium based on $2.60 per £1—96½% (94½%).

NEW YORK

Stock	Aug. 19	Aug. 18
Addressograph	6⅞	6⅛
Aetna Life & Cas.	30⅛	32
Corning Glass	40¼	42
CPC Int'nation'l	42¾	43¼
Crane	45	42⅞
Crocker Nat.C.P.	22¼	22⅝
Crown Zellerbach	38⅛	39⅛
Johns Manville	20¼	21⅛
Johnson Johnson	83⅛	84
Johnson Control	12	12¼
Joy Manufactur'g	74	74¼
Kaiser Alumin'm	28⅛	28⅞
Rapid American	5¾	6¾
Raytheon	46⅞	48
RCA	16¾	17½
Reading	1⅞	1⅞
Republic Steel	31¼	31⅞
Zenith Radio	23⅝	23¾
Chile 3% 1993	85	85
Peru 3% 1993	†95	†95
U.S.Treas4½%1975	†100.06	†100.06
U.S. Treas.4%1980	†85.24	†85.24
[illegible]	[illegible]	[illegible]

CANADA

Stock	Aug. 19	Aug. 18
[illegible]	[illegible]	[illegible]

GERMANY ◆

Aug. 19	Price Dm.	+ or —	Div. %	Yld. %
A.E.G.	78.3	—0.3	—	—
Allianz Versich.	468	—4	†17	1.8
B.M.W.	225.5	—0.5	14	3.1
BASF	140.8	—0.2	17	6.0
Bayer	117.5		17	6.8
Bayer Hypo	314.5	+0.5	18	2.9
Bayer Vereinsbk	337.5	—2.5	18	2.5
Commerzbank	206.6	+0.1	17	4.1
Conti. Gummi	78.1	—0.6	—	—
Daimler	311	—2	16	2.4
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

AMSTERDAM

Aug. 19	Price Fls.	+ or —	Div. %	Yld. %
Ahold (Fl.20)	103.5	—1.7	18	3.5
Akzo (Fl.20)	36		20	11.1
Algem Bnk(Fl100)	334	+5.5	20	6.6
AMAS NV (Fl.10)	11.8	—0.3	10	8.7
AMEV (Fl.20)	67.8	+0.1	50	10.4
Amro Bank (Fl.20)	74.3	—2	20	5.4
VanBerkels(Fl.50)	119		15	6.3
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

AUSTRALIA

Aug. 19	Aust. $	+ or —
Acrow Australia	†0.60	
Adelaide Brighton Cem't 50c	†0.77	
Allied Mfg.Trdg. Indus $1	†1.40	
Ampol Exploration	†0.68	+0.05
Ampol Petroleum	†0.42	
Assoc. Minerals	†2.50	—0.10
Assoc. Pulp Paper $1	†0.79	+0.01
[illegible]	[illegible]	[illegible]

VIENNA

Aug. 19	Price %	+ or —	Div. %	Yld. %
Creditanstalt	380		10	2.9
Perlmooser	342		12	3.5
Selecta	780		48	6.4
Semperit	174	+6	—	—
Steyr Daimler	147		9	6.1
Veit Magnesit	384	+3	28	5.8

JOHANNESBURG

MINES

August 19	Rand	+ or —
Anglo American Cpn.	4.65	—0.05
[illegible]	[illegible]	[illegible]

PARIS

Aug. 19	Price Frs.	+ or —	Div. Frs.	Yld. %
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

TOKYO ¶

Aug. 19	Prices Yen	+ or —	Div. %	Yld. %
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Source Nikko Securities Tokyo

MILAN

Aug. 19	Price Lire	+ or —	Div. Lire	Yld. %
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

STOCKHOLM

Aug. 19	Price Kronor	+ or —	Div. Kr.	Yld. %
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

BRUSSELS

Aug. 19	Price Frs.	+ or —	Div. Frs.	Yld. %
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

OSLO

Aug. 19	Price Kroner	+ or —	Div. %	Yld. %
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

SWITZERLAND

Aug. 19	Price Fr.	+ or —	Div. %	Yld. %
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

COPENHAGEN

Aug. 19	Price Kroner	+ or —	Div. %	Yld. %
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

SPAIN ▼

August 19	Per cent.	
[illegible]	[illegible]	[illegible]

NOTES: Overseas prices exclude $ premium. Belgian dividends are after withholding tax. [illegible]

FARMING AND RAW MATERIALS

Firm start at wool auctions

By Richard Mooney

THE NEW Australian wool auction season began yesterday with sales at Sydney, Melbourne and Fremantle. Prices were firm compared with the end of last season, with some descriptions fetching slightly more, but it is clearly too early as yet to draw any positive conclusions on market tone.

The Australian Wool Corporation (AWC) bought over 23 per cent. of the 46,389 bales offered at the sales—a rather higher figure than that prevailing late last season—but this may be due to early season hesitancy on the part of buyers.

Competition was widespread with Japan and Eastern Europe the main buyers. EEC buyers were also fairly active.

The Australian Government has budgeted $A80m. for advances to the AWC, Mr. Bill Hayden, the Treasurer, said in his 1975-76 budget speech, reports Reuter. A further $A70m. of bank borrowing will be guaranteed by the Government, he said.

Mr. Hayden said the Government felt $A150m. should be sufficient for the AWC's 1975-76 operations but the situation will be kept under review.

Agreement near on U.K. sugar imports dispute

BY JOHN EDWARDS, COMMODITIES EDITOR

A SETTLEMENT is expected to be announced very shortly of the dispute between Britain and suppliers of cane sugar over the amounts to be shipped to the U.K. at the premium price of £260 a ton this year.

It is understood that at talks last week between U.K. Government officials and individual sugar supplying countries, Britain put up new proposals that it was prepared to pay £260 a ton for shipments of 1m. tons between July and December this year compared with its original proposal to restrict shipments to some 700,000 tons during this period.

It means that with the 332,000 tons shipped under special arrangement during the first half of the year at £260 a ton, the supplying countries will in total be receiving the premium price for about 1.3m. tons—the normal annual quantity supplied.

But the shipments during the first half of 1976, which officially are part of the EEC "sugar year" from July to June, will receive a price to be negotiated at a later stage, since the £260 a ton only covers sugar supplied to the U.K. in 1975.

Britain, alarmed at the high cost of imported sugar, in view of the decline in the world market from much higher levels, and the downturn in demand, had sought to restrict shipments this year and U.K. refiners have been limiting intake of supplies until agreement is reached.

Drought

The supplying countries claim that no restrictions on the amount of sugar shipped this year was mentioned in the agreement concluded in February. But it is believed they will accept the compromise U.K. proposals.

Recent rains have raised hopes again for the forthcoming British beet crop, which normally supplies about a third of the U.K. market's needs. The British Sugar Corporation has forecast a crop of between 800,000 to 850,000 tons compared with last year's disastrous figure of only 560,000 tons.

But this increase is much below previous forecasts and still depends on the drought that has badly affected crops being broken. Elsewhere in the EEC there are similar reports of reduced beet weights but higher sugar content.

The U.S. Agriculture Department yesterday predicted that the 1975/76 world sugar crop would rise by 4m./6m. tons above the 87.5m. produced in 1974/75 and predicted that U.S. imports would drop to 4m. tons this year against 5.8m. tons imported in 1974.

On the world sugar terminal market yesterday, the London daily price was cut by £13 to £217 a ton, after reaching £235 last week.

N.Z. farmers form U.K. sales outlet

By Our Commodities Editor

NEW ZEALAND farmers are to have direct representation in the U.K. meat market following the establishment of a sales company in Britain by three New Zealand farmer owned freezing companies, in association with a London-based meat importing company.

It was announced yesterday that the new marketing company, to be called Associated New Zealand Farmers (U.K.) Ltd., will be formed with a 75 per cent. stake held by the N.Z. farming co-operatives—Alliance Freezing Co. (Southland), Hawke's Bay Farmers' Meat Co. and Auckland Farmers' Freezing Co-operative—and a 25 per cent. share held by Macpherson, Train and Co.

Under the plan two Macpherson Train subsidiaries—Michie and White and Fred Curzon and Son, will be taken over by the N.Z. company. A stall on Smithfield is included in the deal.

The move has apparently been encouraged by the New Zealand Meat Producers Board, who are keen to rationalise the sales distribution of N.Z. meat in Britain to a few powerful groups.

The farmer co-operatives concerned are estimated to kill some 7m. lambs a year, out of a total N.Z. kill of about 25m., but handle the sales of between 3m.-4m. lambs compared with the U.K. market of about 18m. annually. However, it was emphasised yesterday that existing relationships with other U.K. importers going back over many years would not be broken.

Terry Kirk

Five farmers' wives from South West Sussex took a petition to 10, Downing Street, yesterday demanding better milk prices for dairy farmers. The petition, signed by 60 farmers, warned that unless Mr. Fred Peart, Agriculture Minister, improved dairy farmers' prices now "we shall have no alternative but to take extreme measures by withholding supplies."

Barley trade exploits EEC loopholes

BY JOHN CHERRINGTON, AGRICULTURE CORRESPONDENT

THE EEC Commission recently admitted that it had uncovered frauds on the Common Agricultural Fund, FEOGA, of approximately £2m., a figure which many estimate to be no more than the tip of a very large iceberg.

But you don't need to be fraudulent to profit from the anomalies of the system. All that is needed is a calculator, a quick mind and ability to be able to trade in cereals.

Take the case of barley. In the period August/May 1974/5 Britain exported 440,000 tons of which 400,000 tons went to our Common Market partners, mainly to Belgium, West Germany and the Netherlands.

This was almost double the quantity exported in the corresponding period the year before, and four times the quantity of 1972/3 before we joined the Community. During the same period 1974/5 we imported 319,000 tons of barley two thirds of which came from the Common Market including 100,000 tons from France.

Some of the barley exported was malting quality for which there has always been an important trade. It is probable that the 110,000 tons exported in 1972-73, before we joined the EEC, was principally malting barley and it is doubtful if the quantity for malting is much higher to-day.

The balance of the 440,000 tonnes is almost certainly feed barley, known by the generic term of EEC barley and from time to time a considerable trade in this commodity springs up and just as quickly dies away.

EEC barley carries no certificate of origin, no birth certificate. Sometimes it's British barley which has been in store, sometimes French, sometimes Dutch. Sometimes it's straight off farms here.

Its trade between member countries is governed by the monetary compensatory amount (MCA's) to equalise currency differences and accession compensatory amounts (ACA's), which are supposed to equalise the basic prices of cereal and other commodities between us and the old Community members.

The MCA's need not concern us here, but the ACA's do because their level is governed by the imports levy applied by the Community to bring the price of imported grain from third countries up to the EEC level.

Over recent weeks because of the rise in world prices the levy on imported barley has dropped almost to nil. This has meant that the ACA paid by the German importer on U.K. barley has dropped substantially so enabling U.K. barley to be landed in Germany at about or below the price of intervention there.

Quite a tonnage of this season's barley is being booked for this trade as merchants are able to pre-fix the ACA's for 60 days. Should world prices fall levies will rise and export subsidies will rise too so that barley can be exported under the same mechanism to the U.K.

Is it the same barley commuting back again? No one can tell. But the probability is that some of the barley leaving our ports at the moment has already made the journey before. Coals to Newcastle.

The cost to someone is quite substantial. It raises the cost of feeding stuffs here, it costs the intervention authorities, that is Feoga, a great deal. But it does keep the transport people, the ships, and the merchants in business.

Such opportunities won't last beyond January 1978, when our prices are supposed to be harmonised with the EEC. But by then some other legitimate way of exploiting the circumstances will have become obvious to businessmen.

Russia buys more grain

THE SOVIET Union has bought a further 250,000 tonnes of Australian wheat and is also reported to have made a 100,000 tonnes purchase from Argentina.

The Australian sale, announced by Mr. J. P. Cass the Australian Wheat Board chairman, yesterday follows a 750,000 tonnes sale in July.

In Beunos Aires, meanwhile, the Argentine Grain Board was reported by private trade sources to have sold 100,000 tonnes of wheat to two exporters, at $168.5 a tonne f.o.b. The wheat, which will be shipped between August 20 and September 20, was reportedly earmarked for the Soviet Union.

In Iowa yesterday, Gerald Ford, the U.S. President, said he expects the Soviet Union to buy more U.S. grain on top of the 9.8m. tons it has already secured. He said any further shipments to the USSR must be in America's best national interest.

Noting the Department of Agriculture has delayed further sales to the Soviet Union pending final crop reports, he said record grain crops this year will permit large sales to the Soviet Union even though dry weather could reduce yields.

But U.S. dock workers showed no signs of abandoning their ban on the handling of U.S. grain bound for Russia. Loading of wheat purchased by the USSR on to a ship at Houston, Texas, was halted on Monday evening and dockers did not report for work yesterday morning, reported a spokesman for Cargill Inc., the U.S. exporter which sold the wheat.

The Yugoslavian ship "Bosanka" chartered by the USSR, is believed to be the first to be hit by orders issued by AFL-CIO union president George Meany.

● The 1975 Soviet grain harvest will be good considering the hot dry summer, but it is still too early to predict output accurately as much Eastern grain still has to be harvested, said Mr. Igor Churayev, Agriculture Ministry, Plant Protection Department haed.

The official Soviet target stands at 215m. tonnes, but Western experts' estimates have been steadily reduced to around 180m. tonnes.

Mr. Churayev's remarks were taken as an indication the harvest should be better than the 1972 crop of 168m. tonnes which followed damage from winter cold and summer heat.

Reuter

EEC to tax grain exports

BRUSSELS, August 19.

THE EEC Commission has introduced export levies on grain exports of ten units of account a tonne for wheat and 12 units of account for barley, according to informed trade sources, reports Reuter. The levies took effect yesterday. This follows Commission policy of imposing nil export rebates since the beginning of this month.

No Commission officials were available for confirmation but early this month Farm Commissioner Pierre Lardinois said the Commission would not be prepared to subsidise grain sales to the Soviet Union and added the USSR was negotiating with French and German traders over possible purchases totalling 1m. tonnes of mixed grains.

The trade sources noted 600,000 tonnes of West German intervention feed wheat is up for tender on August 21 but said it is uncertain whether this will result in shipment to the Soviet Union. They had no knowledge of reports that the USSR has contracted to buy Italian maize and sorghum.

In view of the projected lower EEC wheat harvest this year and arrangements for potential contracts to supply large quantities of grain to the Middle East, Commission officials have adopted a cautious approach to the question of selling grain to the USSR.

The USSR has not expressed interest in EEC grain for some time and the community must put its traditional markets first, they pointed out.

Lower Chilean copper output predicted

SANTIAGO, August 18.

COPPER OUTPUT at Chile's big State-owned copper mines this year is expected to be 700,000 tonnes compared with 760,000 in 1974, State Copper Corporation (Codelco) vice-president Andres Zauschquevich said.

The decline results from decisions to cut output by the Inter-Governmental Committee of Copper Exporting Countries (Cipec), which has been in force since last October, he told a Press briefing. Cipec will meet in November to reassess the situation and world market prospects.

Mr. Zauschquevich said he thinks the price of copper will improve substantially in the first half of next year and range between 75 and 80 U.S. cents a pound.

Reuter

METAL DEALER TAKEN OVER

Tennant Trading Ltd., metal dealing subsidiary of Consolidated Gold Fields, announced yesterday it agreed to acquire the whole of the share capital of Bassett Smith and Co.

Sharp fall in cocoa

By Our Commodities Staff

AFTER MOVING higher in early dealings London cocoa futures declined sharply in the afternoon. The December position on the London terminal market closed £21.25 down at £586.75 a tonne after climbing to £618 a tonne earlier in the day. The late fall took the nearby September position the permissible limit down at one time.

Dealers attributed the decline to currency factors plus the generally "bearish" long-term outlook for cocoa.

Purchases of Ghana mid-crop cocoa for the tenth week of the season (ended August 14) are estimated at 274 tons, the Ghana Cocoa Marketing Board said here. This brings total mid-crop purchases this season to an estimated 4,646 tons against 5,464 at this stage last year.

Reuter

TALKS CONTINUE ON WHALE QUOTAS

TOKYO, August 19.

Delegates from South Africa, Brazil, Japan and the Soviet Union have extended their whale talks until to-morrow, Japanese Fishery Agency sources said here.

They are discussing individual catch quotas of sei and minke whales in the Southern hemisphere for this season.

The talks follow the international whale conference in London in June where the total catch limit was set at 2,230 sei whales and 6,810 minke whales.

Reuter

COMMODITY MARKET REPORTS AND PRICES

BASE METALS

COPPER—Up again on the London Metal Exchange. Prices were firmer from the outset with renowed speculative demand encouraged by news of the increase in housing starts in the U.S. Forward metal traded up to £639 in pre-market dealings before easing owing to profit-taking and trade selling. The price continued to decline in the Rings and traded down to £634.5 before picking up again in line with the firmer opening of the U.S. market. It touched £637 before closing at £636 on the afternoon Kerb. Turnover, 15,200 tonnes.

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or —
Wirebars	£	£	£	£
Cash	615.5-6	+1.25	615-.5	+4
3 months	635-.5	+1.5	633.5	+4
Settlem'nt	614	+1	—	......
Cathodes				
Cash	600-.5	+.75	601-2	+2.25
3 months	620.5-1.5	+1	623.4	+2.5
Settlem'nt	600.5	+.5	—	......
U.S. Smt.	—	......	*65-63.7	......

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —
High Grade	£	£	£	£
Cash	3205-7	—2.5	3205-10	—8.5
3 months	3270-2	—5	3265-7	—11.5
S'ment	3207	—3	—	......
Standard				
Cash	3205-7	—2.5	3205-10	—8.5
3 months	3270-2	—5	3265-7	—11.5
S'ment	3207	—3	—	......
Straits E.	:$1010	—5	—	......
New York	—	......	365	......

[illegible]

COFFEE

[illegible]

SILVER

[illegible]

RUBBER

[illegible]

COCOA

[illegible]

SOYABEAN MEAL

[illegible]

FREIGHTS

[illegible]

GRAINS

[illegible]

SUGAR

[illegible]

WOOL FUTURES

[illegible]

JUTE

[illegible]

COTTON

[illegible]

MEAT/VEGETABLES

[illegible]

SOYABEAN STOCK FUND PROPOSAL

TOKYO, August 19.

Japanese edible oil producer Nisshin Oil Mills has proposed the setting up of a soyabean stockpile fund with special fees to be levied on each buy and sell transaction by the Chicago Board of Trade.

Reuter

PRICE CHANGES

Prices per ton unless otherwise stated.

[illegible]

FINANCIAL TIMES

[illegible]

REUTER'S

[illegible]

DOW JONES

[illegible]

MOODY'S

[illegible]

U.S. Markets

Copper up on Zambia reports

NEW YORK, August 19.

SILVER rallied on new Commission House buying while copper closed sharply higher on unconfirmed reports of a Zambian force majeure. Cocoa declined sharply on heavy Commission House selling. Continued trade buying forced sugar higher. Chicago grains finished higher across the board on expectations of continued Soviet grain purchases, Bache reports.

Cocoa—Ghana spot 78¼ (81¼). Bahia spot 61¼ (63¼). Sept. 60.85 (62.80), Dec. 54.10 (56.10), March 51.10, May 49.35, July 48.65, Sept. 47.55, Dec. 46.88. Sales: 1,770.

Coffee—Spot Santos No. 4 unquoted (same). Colombian Mams unquoted (same). "C" Contract: Sept. 86.20-88.15 (86.65), Nov. 85.80 nom. (85.75). Dec. 85.61-85.75. March 84.90, May 88.90-83.70, July 80.85 nom. Sales: 383.

Copper—Aug. 60.10 (58.90), Sept. 60.30 (59.10), Oct. 60.90, Dec. 62.30. Sales: 2,195.

Cotton—Oct. 51.30-51.65 (51.15), Dec. 52.21-52.55 (51.48), March 53.05, May 53.71, July 54.30-54.40 asked, Oct. 54.50-54.68 asked, Dec. 54.50-54.56 asked. Sales: 1,650.

●Gold—Aug. 161.90 (161.90), Sept. 162.60 (162.60), Oct. 163.60, Dec. 166.20, Feb. 169.20, April 172.20, June 175.20, Aug. 178.20, Oct. 181.20, Dec. 184.20. Sales: 841.

Greasewool—Spot 153.5 nom. (same). Oct. 155.0-159.0 asked (154.0), Dec. 155.5-159.0 asked (154.5), March 154.5-156.0 asked, May 153.5-160.5 asked, July 152.0-162.0 asked, Oct. 151.0 bid, Dec. 151.0 bid.

†Lard—Chicago loose 37 (37 nom.). NY prime steam 38½ nom. (same).

††Maize—Sept. 319½-320 (313½), Dec. 317½-319 (311½), March 328-326½, May 329-330, July 330.

‡Platinum—Oct. 173.50 (170.50), Jan. 177.90 bid (175.00), April 182.40 bid, July 186.60, Oct. 191.50, Jan. 196.90 bid. Sales: 442.

‡‡Silver—Spot 477.00 (456.20), Aug. 490.50 (491.90), Sept. 491.10 (483.70), Oct. 495.60, Dec. 504.90, Jan. 509.20, March 518.10, May 526.40, July 534.70, Sept. 542.90, Dec. 555.20. Sales: 8,695.

*Soyabeans—Aug. 629 (610½), Sept. 628-625 (609½), Nov. 631-634, Jan. 643-644, March 653, May 659-660, July 665, Aug. 664 nom.

§Soyabean Meal—Aug. 163.00 (144.50), Sept. 151.00-151.50 (146.50), Oct. 154.90, Dec. 160.50-161.00, Jan. 163.00-164.00, March 168.50-169.00 asked.

[illegible]

PUBLIC NOTICES

METROPOLITAN BOROUGH OF SANDWELL

£2.25m. bills issued 20th August, 1975, due 19th November, 1975 at 10⅛%. Total applications £18m. Amount outstanding £5m.

WAKEFIELD METROPOLITAN DISTRICT COUNCIL

£3m. bills issued 21st August, 1975, due 19th December 1975, at 10⅛%. Total applications £21m. Amount outstanding £3m.

COMPANY NOTICES

THE TOR INVESTMENT TRUST LIMITED

NOTICE IS HEREBY GIVEN that the Registers of the Preference Shares will be CLOSED from 8th to 21st September, 1975, inclusive.

By Order of the Board.

J. TODD, Secretary.

STOCK EXCHANGE REPORT

Leading Industrials hold on to recent good gains

Share index 0.7 off at 303.0—Gilts restrained

Account Dealing Dates

Option

*First Dealings	Declarations	Last Dealings	Account Day
July 28	Aug. 7	Aug. 8	Aug. 19
Aug. 11	Aug. 20	Aug. 21	Sep. 2
Aug. 22	Sep. 4	Sep. 5	Sep. 16

* "New time" dealings may take place from 9.30 a.m. two business days earlier.

The recent upward movement in equity markets petered out yesterday as buying interest faded. However, leading industrials managed to hold on to most of Monday's good gains. Initially the trend was to higher levels in anticipation of further demand but when this failed to materialise, prices drifted lower on scattered *profit-taking*, which took the FT 30-share index down by 1.6 at noon. Thereafter, prices fluctuated narrowly and final quotations were no worse than mixed. The index closed only a net 0.7 down at 303.0, with the underlying tone being described as "fully firm" in the very late dealings.

The increase in U.S. Treasury Bill rates dampened sentiment in British Funds at the opening, but early minor losses were made good and prices reverted to overnight closing levels. In the case of the shorts, final movements were little better on balance. The Government Securities index hardened 0.12 to 60.84.

Second-line equities also put on a mixed performance, but rises had the edge over falls by 3-2 *in FT-quoted Industrials. Features* were few and far between with interest remaining at a low ebb. Official markings of 4,480 compared *with 4,152 on Monday and* 4,208 a week ago.

Gilts uncertain

The renewed upward momentum in U.S. Treasury Bill rates tended to douse early enthusiasm *for British Funds, but the later* appearance of a few fair-sized buyers initiated a further small advance in short-dated issues. Interest rates, however, remained a key factor and unexpectedly firmer rates in late money market trading coupled with apprehensions about this week's U.S. Money Supply figures, due Thursday, and their consequent impact on short-term interest rates there, turned quotations away from the best levels. Two of the three *stocks to be quoted clean of dividend* to-day made abnormal improvements: Electric 4¼ per cent. 1974-79, rose 3/16 to 81 5/16 and Exchequer 5 per cent., 1976-78, gained ⅜ to 87¼. Medium and long-dated maturities drew little attention and remained at the overnight levels.

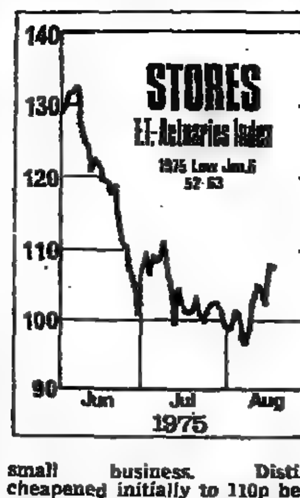
Institutional support together with business released by overseas activity in South African Gold shares made for firmer conditions in the investment currency market and the premium regained a point to 95½ per cent. Yesterday's SE conversion factor was 0.6297 (0.6333).

"Royals" dip and rally

First-half profits, which were in line with general market expectations and much better than last week's disappointing figures from Commercial Union, heartened "Royals" and the Insurance sector in general: supported up to 278p in front of the interim figures, "Royals" declined sharply to 260p immediately after the news before rallying strongly to close 4 better on balance at 272p, making a gain over the past three trading days of 22. Sun Alliance closed 6 better at 383p and Eagle Star hardened 4 to 115p, while improvements of 2 were seen in Commercial Union, 139p, General Accident, 142p, and Guardian Royal Exchange, 175p.

The big four banks drifted lower as interest waned. Barclays, 253p, and National *Westminster, 205p, lost 2 and 3* respectively. Overseas issues had contrasting features in Hong Kong and Shanghai, which firmed 6 to 219p, and Bank of New South Wales 5 lower at 565p. Discounts continued to firm in places. Gerrard and National, 245p, and Seccombe Marshall and Campion, 240p, both rose 10. Despite the sharp contraction in first-half profits, Slater Walker closed 1 dearer at 62p, after 59p, in Merchant banks. Quietly firm Hire Purchases had UDT a penny better at 17p in front of to-morrow's results.

Breweries and kindred trades closed narrowly mixed after a small business. Distillers cheapened initially to 110p before rallying to close unaltered on the day at 112p. Macallan Glenlivet receded 5 to 90p and Highland lost 3 to 77p.



Buildings were generally better where changed. Press comment *on the results helped Vibroplant* to move up 3 to a 1975 peak of 90p, while Taylor Woodrow, 244p, and British Dredging, 23p, put *on 4 apiece. Mears Bros.* firmed 2 to 16p following the sale of the company's interest in an opencast coal mine in Yorkshire, *while French Kier were quoted* 1½ harder at 8p following the capital reorganisation. John Laing "A" were raised 5 to 96p, while the Australian-based A. V. Jennings advanced 8 to 98p. M. L. Meyer were also wanted at 37p, up 4. *Timbers continued to make* modest headway. International and NKT both closing 3 to the good at 68p and 57p respectively, the latter improved in sympathy with the bidders Wm. Mallinson, 2 harder at 29p. Of the few losers, Associated Portland Cement shed 3 at 140p and Wettern Bros. 4 at 60p.

After initially touching 260p, ICI turned easier to close a penny cheaper on balance at 258p. Elsewhere in Chemicals, Carless Capel and *Brent Chemicals both finished* 4 better at 37p and 66p respectively.

Raybeck rise

Raybeck featured little-changed Stores, improving in active trading to 42p before closing 4 better on balance at 40p; the results are expected next month. *Courts (Furnishers)* "A" moved up 3 to 62p on the chairman's comments on current trading, while Martin Ford made no apparent *response to the interim* report, closing unchanged at 31p. F. W. Woolworth, however, finished a shade easier at 46p in front of *to-day's interim statement.* British Home Stores eased 2 to 295p as did Marks and Spencer to 100p, after 99p. Empire Stores took a turn *for the better* in Mail Orders, rising 3 to 68p following news of the company's successful "rights" issue.

Electrical leaders mainly lacked fresh buying interest and moved narrowly in idle trading to finish a shade lower for choice. However, a reasonable two-way business ensued in BICC, which picked up 2 to 103p, shrugging off *the possible heavy compensation* claim for "faulty" cables supplied to the Scott Lithgow shipbuilding concern. EMI followed Monday's *gain of 6 with a reaction to 175p* before finishing 2 down on the day at 177p. Plessey ended a penny down at 68p, while GEC showed no alteration at 121p, after 122p. There was little worthy of note in secondary issues. Newman *Industries provided a minor firm* spot at 31p, up 3, while gains of 2 occurred in Chloride, 85p, and Decca "A," 176p. Pye Holdings held steady at 48p ahead of to-day's interim results.

Engineerings were more *generally firmer than on recent occasions* but the gains were rather small, extending to only 4, as in Hawker, at 280p. GKN picked up 3 to 206p and Tube Investments, awaiting to-day's interim figures, improved 2 to 218p. Howard Machinery New nil-paid shares topped the day's active stocks list, but the price stayed at 5¼p premium, while the *old shares hardened 1 to 33p.* Lower profits failed to unsettle Peter Brotherhood, unaltered at 53p, but Whessoe eased 1 to 25p following the redundancy news. Elsewhere, Coated Metals gained 3 to 47p, Lake and Elliot advanced a similar amount to 39p and Blackwood Hodge rose 2½ to 128½p. Continuing speculative interest raised Wolseley-Hughes 3 to 74p, after 75p. Shipbuildings were notable only for Robb-Caledon which continued the recovery, closing 3 higher at 19p.

Tate and Lyle continued firmly, rising 3 more to 200p for a two-day gain of 13. Kinloch (Provision Merchants) improved 4 further *to 118p, while similar rises were* seen in Bejam, 91p, and A. J. Mills, 51p. Meat Trade Suppliers, at 73p, held the previous day's *late rise to 9 which followed the* preliminary figures.

Hotels and Caterers had an isolated firm spot in Hanover Grand which hardened 1½ to 7p in response to the 8p per share cash bid from Kirkstar Securities.

Denbyware improve

Marked a shade firmer at the outset, miscellaneous Industrial *leaders were subsequently inclined* to ease when fresh buyers failed to appear. Glaxo finished with a reaction of 7 at 343p, while Rank *Organisation* "A" came back 5 to 128p and Reckitt and Colman 4 to 298p. Beecham ended 3 off at 280p, after 285p, but Unilever managed to close a penny firmer at 368p, after 368p. Elsewhere, Denbyware responded to the chairman's encouraging statement at the annual meeting with an improvement of 6 to 92p. Wood and Sons were raised a penny late to 13½p in reflection of the advance in half-year profits. Grampian Holdings hardened the same amount to 37p on the sale of its Wallacetown interests to a joint subsidiary of Tube Investments and General Electric of the U.S. Royal Worcester rose 6 to 96p and Siebe Gorman 5 to 128p, while gains of around 3½ were recorded in Giltspur Investments, 27½p, Chubb, 78p, and Barrow Hepburn, 37p. On the other hand, Thurgar Bardex fell 2 to 4½p on *consideration of the gloomy interim results.* Ega Holdings, 44p, lost the previous day's gain of 4 which followed the profits expansion and proposed scrip issue, while the half-time profits contraction left Transport Development a shade down at 42p.

Dowty improved 5 to 105p in otherwise little-changed Motors and Distributors. British Leyland consolidated on the recent advance, closing 1½ better at 54½p, after 57p. Dunlop were active and a penny better at 48p following Press comment, while Houchin finished 1½ up at 25½p on the preliminary figures. In Garages, *Heron Motor ended on a firm note* following news of the increased earnings, the Ordinary closing a penny harder at 31p and the 10 per cent. Convertible 1985/90 rising 6 points to £61.

Very little transpired in Paper/Printings where Chapman (Balham) were adjusted 3 higher to 100p and Harrison and Sons were raised 4 to 58p. Publishers showed some irregularity with Marshall Morgan rising 3 to 67p and A. and C. Black losing 2 to 36p. Elsewhere, Dolan Packaging gained 2 to 31p.

British Land harden

After tending to soften a shade at first, Property leaders later encountered fresh modest buying interest and closed slightly firmer on balance. The heavy loss being no worse than expected, British Land managed to harden a fraction to 18½p. Amalgamated Investment and Property, 26p, and MEPC, 76p, recorded net gains of a penny, while Land Securities were finally unaltered at 140p, after 138p. Elsewhere, R. Green Properties put on 2½ to 19p on small demand in a thin market *following the appointment of a* Pearl Assurance director, Mr. F. L. Garner, to the Board. Avenue Close improved 4 to 41p and C. H. Beazer *3 to 98p, but losses of 2* occurred in Estates Property Investment, 33p, and Rush and Tomkins, 24p.

A slightly harder tendency in Oils was marred only by marginal easiness in British Petroleum, which eased 2 to 515p on Wall Street influences. Shell edged forward and were finally 3 higher at 326p, Ultramar picked up 2 to 192p and Royal Dutch, helped by overseas advices, rose ½ to £27¾. Australians were featured by London selling of Associated Australian Resources, down 12 at 105p, while domestic market influences took Weeks Natural Resources up 5 to 70p.

Among little-changed Overseas Traders, Harrisons and Crosfield declined 13 to 387p, while Jamaica Sugar *came back a penny to 19p.*

Monday's firmer trend was maintained yesterday in Trusts and Financials. Altifund Capital *put on 5 to 125p and* Second British Assets added 8 to 126p, while Dalgety rose 7 to 172p. Direct Spanish Telegraph were marked up a *penny to 44p following* the higher first half profits. Challenge Corporation were an isolated dull spot at 110p, down 5.

Shippings were much quieter yesterday. Felixstowe Dock edged forward 3 to 69p and Furness Withy put on 3 more to 220p. P. & O. Deferred, however, ran back 2 to 81p.

Interest in Textiles waned considerably as Courtaulds, at 119p, gave up 2 of the previous day's gain of 5 and John Haggas receded 5 to 190p in a thin market. Allied, on the other hand, hardened 3 to 51p.

Sporadic profit-taking took Bats down to 273p initially before a close of 275p, 3 easier on balance, while Imps shaded a penny to 66p.

Rex Trueform "A," 20 higher at 350p, provided a lone feature in South Africans.

Rubbers had contrasting *features* in Anglo-Indonesian Plantations which rose 4 to 40p in response to favourable Press comment, while Guthrie, at 148p, *encountered profit-taking* and lost 6 of the previous day's gain of 11. In irregular Teas, Bandanga improved 3 to 37p.

Coal stocks down

The feature of an otherwise still quiet Mining market was the Australian sector where coal orientated issues were hit by news that the overnight Federal Budget had introduced a $A6 per tonne export levy on high quality coking coal and a $A2 per tonne levy on all other forms of coal.

Utah Mining Australia fell 30 to 725p, Thiess Holdings gave up *15 at 230p and Oakbridge were 6* lower at 56p. This unsettled the rest of the Australian market which also eased despite the 2½ per cent. reduction in corporation tax to 42½ per cent. Poseidon lost 10 at 195p and Pancontinental *were a further 20 down at 560p.*

Gold shares drifted in line with the U.S. market overnight and also the metal price although, *reflecting a modest rally from* the lower levels in the latter, they ended on a steadier note. The Gold Mines index was 4 off at *348.6 while bullion was finally 50* cents down at $161.625 per ounce after $161.35.

There were few changes of note in Financials. De Beers eased 4 to 298p in front of improved half-year results. The optimistic outlook for the metal expressed by the managing director of Johnson Matthey caused modest gains in Platinum stocks with *Potgietersrust* hardening 3 to 238p.

Reflecting the resumption of quarterly dividend declarations by *Impala Platinum*, Bishopsgate added 1 at 108p. Coppers were little tested, ZCI easing to 51p on further consideration of the *passing of the final dividend.*

Elsewhere, Northgate put on 5 at 285p reflecting the firmer dollar premium rather than anything contained in the recent quarterly report.

FINANCIAL TIMES STOCK INDICES

—	Aug. 19	Aug. 18	Aug. 15	Aug. 14	Aug. 13	Aug. 12	A year ago
Government Secs	60.84	60.72	60.31	60.02	60.28	60.16	53.96
Fixed Interest	60.66	60.65	60.42	60.26	60.10	59.93	53.80
Industrial Ordinary	303.0	303.7	292.7	293.1	294.6	290.0	211.9
Gold Mines	348.6	352.6	351.0	353.3	356.6	356.7	373.0
Ord. Div. Yld. %	6.84	[illegible]	7.06	7.05	7.00	7.10	9.32
Earnings Yld. % (full)	19.75	19.69	20.39	20.33	20.21	20.49	25.05
P/E Ratio (net) (a) (b)	7.22	7.25	7.00	7.02	7.06	6.96	5.58
Dealings marked	4,480	4,152	3,811	5,664	4,185	4,208	8,459
Equity turnover £m	—	39.59	36.18	36.45	44.68	52.59	36.33
Equity bargains total	—	10,900	8,766	10,181	11,325	11,322	14,060

10 a.m. 304.2. 11 a.m. 303.4. Noon 302.1. 1 p.m. 302.6. 2 p.m. 302.1. 3 p.m. 302.1.

Latest Index 01-246 8026.

(a) Based on 52 per cent. corporation tax. (b) Nil=7.18.

Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Ind. Ord. 1/7/35. Gold Mines 12/9/55. SE Activity July-Dec. 1942.

HIGHS AND LOWS

—	1975 High	1975 Low	Since Compilation High	Since Compilation Low
Govt. Secs.	62.64 (20/3)	49.18 (3/1)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	62.51 (21/5)	50.65 (3/1)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	365.8 (5/6)	146.0 (6/1)	543.6 (19/5/72)	49.4 (26/6/40)
Gold Mines	442.3 (22/5)	280.2 (20/1)	442.3 (22/5/75)	43.5 (26/10/71)

S.E. ACTIVITY

—	Aug. 19	Aug. 18
Daily—		
Gilt-Edged	207.1	221.8
Industrials	132.6	121.4
Speculative	35.8	32.0
Totals	102.0	94.5
5-day Av'rge		
Gilt-Edged	173.5	164.2
Industrials	124.0	125.8
Speculative	34.1	35.9
Totals	92.4	91.1

F.T.—ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, The Institute of Actuaries and the Faculty of Actuaries

	EQUITY GROUPS — GROUPS & SUB-SECTIONS (Figures in parentheses show number of stocks per section)	Tuesday, August 19, 1975: Index No.	Day's Change %	Est. Earnings Yield % (Max) Corp. Tax 52%	Gross Div. Yield % (ACT at 35%)	Est. P/E Ratio (net) Corp. Tax 52%	Est. P/E Ratio (nil) Corp. Tax 52%	Monday August 18 Index No.	Friday August 15 Index No.	Thurs. August 14 Index No.	Wed. August 13 Index No.	Year ago (approx.) Index No.	1975 High	1975 Low	Since Compilation High	Since Compilation Low
1	CAPITAL GOODS (179)	107.55	+0.1	21.29	7.51	7.00	6.99	107.47	106.15	105.84	106.64	75.04	131.96 (6/6)	51.78 (6/1)	206.37 (4/5/72)	15.70 (13/12/74)
2	Building Materials (30)	95.55	+0.5	17.77	8.29	8.50	8.50	95.52	92.44	93.00	92.44	75.06	117.40 (22/4)	45.11 (6/1)	233.84 (25/?/72)	44.27 (11/12/74)
3	Contracting, Construction (23)	185.07	+1.1	19.64	4.28	7.66	7.66	181.01	175.37	176.45	174.95	117.36	251.61 (23/4)	74.74 (6/1)	382.38 (19/5/72)	71.48 (12/12/74)
4	Electricals (17)	203.93	−1.3	19.95	5.69	7.56	7.34	206.51	199.37	201.16	200.99	140.17	254.64 (6/6)	[illegible] (2/1)	350.04 (4/5/72)	84.71 (25/6/62)
5	Engineering (Heavy) (13)	126.25	+0.1	27.02	6.00	5.64	5.64	126.11	124.00	125.40	126.20	87.99	[illegible] (22/4)	64.39 (2/1)	202.57 (6/6/72)	64.39 (2/1/75)
6	Engineering (General) (64)	93.15	+0.7	23.23	8.85	6.36	6.36	92.46	91.62	92.02	92.11	62.27	117.40 (6/6)	46.45 (6/1)	169.59 (4/5/72)	46.45 (6/1/75)
7	Machine and Other Tools (9)	38.17	+0.8	20.43	10.79	5.92	5.95	37.85	37.91	38.17	37.84	27.78	46.98 (20/5)	20.11 (2/1)	136.70 (4/7/66)	19.96 (13/12/74)
8	Miscellaneous (23)	95.07	−0.2	26.56	8.14	5.25	5.05	95.28	94.83	95.66	95.51	67.37	121.76 (6/6)	49.65 (6/1)	177.41 (27/4/72)	49.65 (6/1/75)
9	CONSUMER GOODS (DURABLE) (57)	85.52	+0.6	21.65	7.36	6.75	6.74	85.03	81.94	81.65	82.35	59.08	95.15 (6/6)	38.39 (6/1)	227.78 (21/4/72)	38.39 (6/1/75)
10	Electronics, Radio TV etc. (15)	98.72	+0.4	19.96	5.38	7.41	7.40	98.17	95.70	95.79	97.52	68.54	106.34 (6/6)	44.26 (6/1)	257.41 (18/5/72)	42.86 (13/12/74)
11	Household Goods (15)	125.94	+0.8	21.22	8.14	5.66	5.66	124.96	123.24	123.60	123.19	97.14	146.90 (23/4)	64.85 (6/1)	263.27 (4/5/72)	62.92 (17/12/74)
12	Motors and Distributors (27)	43.49	+0.9	26.01	10.72	5.74	5.71	43.10	42.07	43.00	42.92	32.77	50.91 (6/6)	19.91 (6/1)	170.59 (15/1/69)	19.91 (6/1/75)
13	CONSUMER GOODS (NON-DURABLE) (168)	125.70	−0.6	16.21	6.62	8.91	8.85	124.44	120.91	121.65	121.62	81.33	146.45 (6/6)	61.98 (6/1)	226.08 (16/8/72)	61.41 (13/12/74)
14	Breweries (16)	158.19	−0.9	14.41	7.56	10.50	10.50	159.41	155.08	155.56	156.99	93.54	165.85 (6/6)	75.86 (6/1)	281.87 (29/11/72)	69.47 (13/12/74)
15	Wines and Spirits (7)	135.45	−1.3	14.37	7.48	10.50	10.50	137.21	132.75	132.72	134.36	104.51	177.94 (3/7)	80.42 (6/1)	287.40 (13/7/72)	78.88 (13/12/74)
16	Entertainment, Catering (16)	139.78	−0.7	14.60	7.95	10.62	10.07	140.79	137.77	138.18	137.66	79.55	158.44 (27/6)	55.28 (6/1)	329.99 (12/12/72)	54.88 (6/1/75)
17	Food Manufacturing (22)	137.12	−0.1	14.97	5.82	9.18	9.14	137.30	133.07	133.87	132.07	80.77	156.57 (6/6)	62.03 (2/1)	211.66 (1/5/72)	59.77 (11/12/74)
18	Food Retailing (16)	122.94	−0.8	12.80	5.35	11.38	11.38	123.89	120.23	120.46	120.46	75.68	149.17 (4/6)	57.16 (2/1)	235.08 (16/3/72)	54.25 (11/12/74)
19	Newspapers, Publishing (15)	121.11	+2.2	16.95	8.04	8.92	8.90	118.52	121.76	121.56	118.58	97.76	152.14 (6/6)	55.08 (6/1)	260.29 (18/1/72)	55.08 (6/1/75)
20	Packaging and Paper (13)	83.72	+0.4	26.40	8.78	5.56	5.56	83.38	81.03	81.71	81.24	59.90	107.12 (20/6)	43.46 (6/1)	135.69 (30/4/72)	43.46 (6/1/75)
21	Stores (31)	107.19	−0.7	13.46	6.10	11.29	11.29	107.90	103.75	104.25	104.66	69.66	132.94 (20/6)	52.63 (6/1)	204.39 (16/8/72)	52.63 (6/1/75)
22	Textiles (23)	126.91	−0.8	27.62	8.51	4.37	4.27	126.99	123.51	123.27	123.28	96.39	145.07 (27/6)	62.91 (6/1)	253.72 (17/9/69)	62.66 (11/12/74)
23	Tobacco (3)	176.46	−1.0	19.31	7.68	7.88	7.88	177.24	176.11	176.73	177.29	114.45	199.16 (10/3)	109.92 (6/1)	339.16 (2/2/72)	94.54 (13/6/62)
24	Toys and Games (6)	41.54	+0.8	32.97	8.71	4.30	4.20	41.25	41.02	41.16	41.16	30.96	44.06 (6/6)	20.92 (6/1)	135.72 (16/1/70)	20.92 (6/1/75)
	OTHER GROUPS (92)															
25	Chemicals (24)	151.56	−0.7	21.31	5.57	6.65	6.66	152.55	150.77	150.18	150.59	104.15	189.17 (6/6)	73.14 (6/1)	201.92 (31/1/69)	71.20 (11/12/74)
26	Office Equipment (10)	73.08	−0.4	19.11	7.15	7.25	7.25	73.40	70.45	70.55	71.46	69.34	104.78 (17/4)	45.34 (2/1)	246.06 (1/9/72)	45.34 (2/1/75)
27	Shipping (12)	312.69	−0.2	27.48	7.68	4.69	4.54	313.36	307.65	312.11	317.60	247.61	401.84 (10/3)	194.58 (6/1)	517.00 (6/12/72)	90.80 (29/6/62)
28	Miscellaneous (46)	123.23	−0.5	21.52	7.96	6.79	6.79	124.08	121.89	122.35	123.33	90.28	153.58 (6/6)	60.39 (6/1)	258.83 (2/5/72)	60.39 (6/1/75)
29	INDUSTRIAL GROUP (496)	120.25	−0.3	19.06	6.96	7.60	7.57	120.62	117.59	118.59	118.44	82.07	143.43 (6/6)	59.19 (6/1)	220.17 (1/5/72)	59.01 (13/12/74)
30	OILS (4)	289.53	−0.3	25.43	5.24	4.22	3.93	290.67	284.51	287.41	287.70	156.41	296.47 (4/6)	105.83 (2/1)	431.66 (29/5/69)	87.23 (29/5/62)
31	500 SHARE INDEX	134.19	−0.2	20.12	6.66	6.71	6.66	134.46	131.35	132.52	132.39	88.41	156.14 (6/6)	63.49 (6/1)	227.95 (16/8/72)	63.49 (13/12/74)
32	FINANCIAL GROUP (100)	115.84	+0.5	—	6.14	—	—	115.52	114.02	115.25	115.25	82.83	148.45 (20/6)	56.50 (6/1)	241.41 (11/4/72)	55.88 (13/12/74)
33	Banks (6)	137.65	−0.1	21.53	5.81	7.06	7.06	138.15	135.08	136.29	136.63	100.01	177.11 (6/6)	62.66 (2/1)	269.32 (30/7/72)	62.44 (12/12/74)
34	Discount Houses (9)	138.29	+1.5	—	8.75	—	—	136.19	136.45	136.46	135.46	104.54	169.27 (7/3)	84.13 (6/1)	393.13 (2/5/72)	81.40 (10/12/74)
35	Hire Purchase (5)	87.29	+3.3	28.59	10.36	4.65	4.35	84.46	85.39	87.28	86.79	81.59	134.39 (10/3)	42.81 (6/1)	433.72 (4/5/72)	38.85 (11/12/74)
36	Insurance (Life) (9)	103.22	−0.8	—	6.62	—	—	104.05	101.88	103.00	100.85	66.28	127.97 (23/4)	44.88 (2/1)	194.46 (15/3/72)	44.88 (2/1/75)
37	Insurance (Composite) (7)	95.73	+1.0	—	6.90	—	—	94.77	92.22	93.86	95.08	56.86	123.90 (30/5)	44.47 (2/1)	165.76 (21/4/72)	43.96 (13/12/74)
38	Insurance (Brokers) (8)	181.11	−0.3	11.24	4.71	13.33	13.33	181.64	180.37	176.41	176.77	106.13	211.50 (20/6)	68.96 (7/1)	262.57 (12/12/73)	66.88 (16/12/74)
39	Merchant Banks (19)	79.66	−0.6	—	[illegible]	—	—	79.10	78.46	79.66	79.92	63.27	94.97 (7/3)	31.21 (7/1)	278.67 (1/5/72)	31.21 (7/1/75)
40	Property (32)	141.31	+0.2	5.22	4.34	28.17	27.13	140.99	140.25	140.63	141.53	124.91	241.22 (22/4)	88.19 (7/1)	357.40 (9/11/73)	86.01 (30/4/65)
41	Miscellaneous (5)	61.09	+0.3	10.52	10.80	7.96	7.87	60.92	60.58	61.26	61.94	54.66	75.78 (25/4)	34.78 (10/1)	303.13 (18/6/72)	35.29 (17/12/74)
42	Investment Trusts (50)	145.71	+1.6	3.41	4.84	29.36	29.34	143.47	141.99	142.64	141.98	95.99	178.53 (6/6)	73.43 (6/1)	245.79 (25/4/72)	71.63 (13/12/74)
43	ALL-SHARE INDEX (650)	130.31	—	—	6.45	—	—	130.33	127.44	128.44	128.46	87.07	154.09 (6/6)	62.16 (6/1)	228.18 (1/5/72)	61.92 (13/12/74)
	COMMODITY GROUPS (Not included in 500 or All-Share indices)															
44	Rubbers (10)	405.26	+0.2	13.88	8.13	10.46	10.40	404.40	398.19	400.39	395.45	303.97	526.43 (25/6)	281.66 (2/1)	555.37 (23/7/75)	84.68 (25/6/65)
45	Teas (10)	101.45	—	35.76	10.29	3.90	3.72	101.45	101.45	101.87	101.87	71.64	104.15 (16/7)	76.76 (10/1)	121.47 (1/5/72)	59.72 (17/10/74)
46	Coppers (3)	370.01	−0.5	55.07	20.41	1.88	1.88	368.09	376.34	379.50	375.54	369.51	467.74 (25/6)	349.52 (22/7)	567.78 (15/7/75)	94.08 (29/4/63)
47	Mining Finance (11)	122.77	+0.2	9.98	4.31	11.00	11.00	122.57	123.24	122.98	123.00	89.10	141.34 (30/6)	80.58 (22/1)	175.90 (28/4/69)	68.51 (30/9/74)
48	Tins (8)	84.29	−0.4	12.10	9.83	10.65	9.14	83.98	84.35	85.50	86.65	71.13	114.49 (5/6)	58.91 (6/1)	125.43 (12/1/73)	54.83 (27/6/71)
49	Overseas Traders (13)	200.60	−0.5	17.35	4.94	7.37	7.37	199.53	199.71	201.87	203.65	—	252.23 (20/5)	97.37 (6/1)	252.23 (20/5/75)	97.37 (6/1/75)

	FIXED INTEREST	Tues., August 19 Index No.	Tues., August 19 Yield %	Monday August 18	Friday August 15	Thurs. August 14	Wed. August 13	Tuesday August 12	Monday August 11	Friday August 8	Year ago (approx.)	1975 High	1975 Low	Since Compilation High	Since Compilation Low
1	Consols 2½% yield	-	14.03	14.02	14.10	14.10	14.09	14.09	14.26	14.17	15.93	—	—	—	—
2	20-yr. Govt. Stocks (6)	50.22	‡12.97	50.24	50.08	49.88	50.12	50.09	49.37	49.63	45.18	53.09 (20/3)	38.27 (6/1)	115.42 (11/3/63)	38.27 (6/1/75)
3	20-yr. Red. Deb. & Loans (15)	47.83	‡15.41	47.67	47.52	47.52	47.46	47.48	47.73	47.80	42.65	50.68 (21/3)	37.01 (3/1)	113.43 (23/10/63)	37.01 (3/1/75)
4	Investment Trusts Prefs. (15)	46.86	14.76	46.62	46.53	46.48	46.35	46.98	45.98	46.70	40.36	47.50 (23/7)	35.56 (3/1)	114.41 (13/8/63)	34.45 (4/12/74)
5	Coml. and Indl. Prefs. (20)	67.39	13.97	67.20	66.90	66.97	66.63	66.63	66.58	67.31	54.84	68.02 (?)	48.35 (3/1)	114.95 (7/10/63)	47.87 (6/1/75)

Section or Group	Base Date	Base Value	Section or Group	Base Date	Base Value
Overseas Traders	31/12/74	100.00	Miscellaneous Financial	31/12/70	128.06
Engineering (Heavy)	31/12/71	153.84	Food Manufacturing	29/12/67	114.13
Engineering (General)	31/12/71	153.84	Food Retailing	29/12/67	114.13
Wines and Spirits	14/1/70	111.76	Insurance Brokers	29/12/67	96.67
Toys and Games	16/1/70	135.72	Mining Finance	29/12/67	100.00
Office Equipment	16/1/70	167.74	All Other	10/4/62	100.00
Industrial Group	31/12/70	128.20			

‡ Redemption yield. FT-Actuaries indices are calculated by Extel Communications Limited (a member of the Exchange Telegraph Group), on an IBM 370 computer.

A list of the constituents of the FT-Actuaries Share Indices is now available from the Publishers, the Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 13p. By inland post 18p. Commonwealth 18p. Foreign 22p.

ACTIVE STOCKS

Stock	Denomination	No. of marks	Closing price (p)	Change on day	1975 high	1975 low
Howard Mc. 'New'	Nil/pd.	12	5¼*	—	6¼*	1*
ICI	£1	12	258	−1	302	118
Marks & Spencer	25p	12	99	−3	128	47½
Shell Transport	25p	10	326	+3	342	118
"Bats"	25p	9	275	−3	338	164
BP	£1	9	515	−2	556	190
Chubb 'New'	Nil/pd.	9	11½*	+3	11½*	5*
Scot. & New. 'New'	Nil/pd.	9	6¼*	—	6¼*	1½*
BTR 'New'	Nil/pd.	8	40½*	+1	40½*	23*
Barclays Bank	£1	8	253	−2	325	113
Dunlop	50p	8	48	+1	59	17
Boots	25p	7	110	−1	132	45½
Distillers	50p	7	112	—	130	65½
EMI	50p	7	177	−2	200	62
P. & O. Defd.	£1	7	81	−2	128	59½

The above list of active stocks is based on the number of bargains recorded yesterday in the Official list and under Rule 163(1) (e).

* Premium.

Option Report—3-month Call rates

OPTION DEALING DATES

First Dealings	Last Dealings	Last Declaration	For Settlement
Aug. 18	Sep. 1	Nov. 13	Nov. 25
Sep. 2	Sep. 15	Nov. 27	Dec. 9
Sep. 16	Sep. 29	Dec. 11	Dec. 23

"Calls" were dealt in Trafalgar House "B" warrants, National Westminster Bank warrants, "Lofs," Dunlop, Charterhall Finance and Premier Oil. No "puts" were reported, while "doubles" were arranged in British Petroleum, Amalgamated Investment, Dunlop, Spillers, National Westminster Bank warrants, Barclays Bank, Rank Organisation "A," Charterhall Finance, Premier Oil and Boots.

Industrials							
		Grand Met.	7	Slater Walker	9		
		G.U.S. 'A'	17	Spillers	5	Mines	
A. P. Cement	16	Guardian	20	Tesco	6	Anglo Amer.	50
Assoc. Leisure	5	G.K.N.	22	Thorn "A"	17	Broken Hill Prp	75
Barclays Bank	25	Hawker Sidd.	27	Tube Invest.	24	Charter Cons.	22
Beecham	29	House of Fraser	8	Unilever	38	Chart'rh'll Fin.	10
Boots Drug	12	Hudson (Wilms)	4	Utd. Drapery	10	Cons Gold	22
Bowaters	16	I.C.I.	21	Vickers	15	De Beers Def.	35
B.A.T.	30	"Imps"	7	Woolworths	6	F. S. Geduld	350
British Leyland	7	I.C.L.	7			Great Boulder	12
BOC Int.	5½	Inveresk	7	Property		Hampton Areas	16
Burton 'A'	9	Legal & General	13	Cap. Counties	4½	Hampton Prop.	4
Cadburys	6	Lloyds Bank	22	E.P.	8	Kloof	140
Courtaulds	12	"Lofs"	6	Int. Europe.	6	Lonrho	13
Debenhams	8	"Mams"	5	Land Securities	18	Loraine	55
Distillers	13	Marks & Sp'ncer	11	Peachey	6	Metals Explor.	8
Dunlop	5½	Midland Bank	25	Town & City	4½	Poseidon	55
Eagle Star	15	Nat. West Bank	22	Town & Comm.	4	Pres. Steyn	275
E.M.I.	17	P & O Dfd.	10			Rio T. Zinc	20
First National	2	Plessey	8	Oils		Welkom	55
G.R.A. Trust	4	R.H.M.	6	Brit. Petroleum	46	West Areas	75
Gen. Accident	16	Rank Org. 'A'	17	Burmah Oil	6	Western M'ng	18
Gen. Electric	13	Reed Int'l	25	Shell	30	Zambia Copp.	10
Glaxo	40			Ultramar	21		

NEW "HIGHS" AND "LOWS" FOR 1975

The following securities (numbers in parentheses) among those quoted in the Share Information Service yesterday attained new highs and lows for 1975.

NEW HIGHS (12)

BRITISH FUNDS (1)

Elect. 3½pc '74-79

COM'WEALTH & AFRICAN LOANS (4)

Aust. 5pc '74-76 Nyasal'd 6pc '78-81

N. Rhod. 6pc '78-81 S. Af. 9½pc '74-76

CANADIANS (1)

White Pass & Yukon

BUILDINGS (2)

Fairview Estates Worbplant

ENGINEERING (2)

Coated Metals Wagon Indl. Hldgs.

MOTORS (1)

Brit. Leyland

TRUSTS (1)

SPLIT Income

NEW LOWS (3)

PROPERTY (1)

Godfrey

TRUSTS (1)

Challenge Corp.

MINES (1)

Sallfontein

RISES AND FALLS YESTERDAY

	Up	Down	Same
British Funds	9	2	43
Corpns. Dom. and Foreign Bonds	22	3	46
Industrials	330	219	1,204
Financial and Prop.	182	47	379
Oils	7	4	22
Plantation	3	2	40
Mines	22	39	42
Recent Issues	21	14	38
Totals	596	330	1,802

Europe guide for managers

ADVICE to British managers working in Europe about such matters as exchange control, income tax and children's education *is given by the British Institute of Management* in a new version of one of its management information sheets.

It says the sheet "is intended to alert the manager to some of the things he will have to consider and to help him to assemble some coherent thoughts before approaching his specialist for detailed personal advice."

BASE LENDING RATES

AFI International ...... 10 %
Allied Irish Banks Ltd. 10 %
Anglo-Portuguese Bank 10½%
Henry Ansbacher 10½%
Banco de Bilbao .... 10 %
Banco de Jerez 10½%
Bank of Cyprus ....‡10 %
Banque du Rhone S.A. 10½%
Barclays Bank .... 10 %
Barnett, Christie Ltd.... 11 %
Bremar Holdings Ltd. 11 %
Brit. Bank of Mid. East 10 %
■ Brown Shipley 10½%
Cayzer, Bowater Co. Ltd. 10½%
Cedar Holdings .... 10 %
■ Charterhouse Japhet ... 10½%
C. E. Coates 10½%
Consolidated Credits ... 12 %
Continental Trade Bk. 10 %
Co-operative Bank ......*10 %
Copleys Bank 11½%
Corinthian Securities... 10 %
Credit Lyonnais .... 10 %
G. R. Dawes .... 11 %
Duboff Brothers........ 11½%
Duncan Lawrie 10½%
English Transcont....... 11½%
First London Secs. ...... 10 %
■ Antony Gibbs 10½%
Goode Durrant Trust... 10 %
Greyhound Guaranty... 10 %
Grindlays Bank 10½%
■ Guinness Mahon......... 10 %
■ Hambros Bank .... 10 %
Hawtin & Partners ... 13 %
■ Hill Samuel ....‡10 %
C. Hoare & Co. ....†10 %
Julian S. Hodge ...... 11 %
Industrial Bank of Scot. 10 %
Jacobs, Kroll 11½%
Keyser Ullmann......... 10½%
Knowsley & Co. Ltd. ... 11½%
Lloyds Bank .... 10 %
London & European ... 11½%
London Mercantile ... 11½%
Midland Bank .... 10 %
■ Samuel Montagu......... 10 %
■ Morgan Grenfell .... 10 %
National Westminster 10 %
Northern Comm. Trust 10½%
Norwich General Trust 10½%
Portman Guaranty...... 11 %
P. S. Refson & Co. ...... 10 %
Rossminster Accept'cs 10 %
Royal Trust of Canada 11 %
Schlesinger Limited ... 10½%
E. S. Schwab 11½%
Security Trust Co. Ltd. 11½%
Shenley Trust 11½%
Standard & Chartered 10 %
Sterling Credit .... 12 %
Thames Guaranty ...... 11 %
Trade Development Bk. 10 %
Twentieth Century Bk. 11½%
United Bank of Kuwait 10 %
Wallace Brothers Bank 10½%
Whiteaway Laidlaw ... 10½%
Williams and Glyn's ... 10 %
Yorkshire Bank .... 10 %

■ Members of the Accepting Houses Committee.
* 7-day deposits 6½%, 1-month deposits 6¾%.
† 7-day deposits on sums of £10,000 and under 6½%, up to £25,000 7% and over £25,000 7½%.
‡ Deposit Base Rate 9½%.
§ Demand deposit 7½%.

MONEY MARKET

Full credit supply

Bank of England Minimum Lending Rate 11 per cent.
(since July 25, 1975)

A small surplus of funds was indicated by the *factors influencing* the London money market yesterday, but credit proved to be in plentiful supply and the authorities sold a large amount of Treasury bills to the Discount houses and the banks to absorb funds. Bank balances were run down from Monday, a net market take-up of Treasury bills, an increase in the note circulation, commercial bill and local authority bill maturities, and settlements of gilt-edged sales were against the market's favour. These, however, were more than balanced by an excess of Government disbursements over revenue payments to the Exchequer, and further Savings 3 per cent. redemption money.

A rate of 8¾-9 per cent was paid for secured call loans in the early part and at the close funds were available at 9-10 per cent. In the inter-bank market overnight loans commanded 9¼-9½ per cent. at the start and remained at 9-9¾ per cent. for the most *part, before rising to 10½-10 per* cent. at the close.

Short-term fixed period interest rates were generally slightly easier with the one-month sterling certificate yield easing to 10 1/16-10 3/16 per cent., from 10¼-10½ per cent.

Rates in the table below are nominal in some cases.

Aug. 19 1975	Sterling Certificate of deposit	Interbank	Local Authority deposits	Local Auth. negotiable bonds	Finance House deposits	Company deposits	Discount market deposit	Treasury Bills ‡	Eligible Bank Bills ‡	Fine trade Bills ‡
Overnight	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
2 days notice	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
7 days or 7 days notice	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
7 days notice	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
One month	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Two months	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Three months	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Six months	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Nine months	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
One year	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Two years	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

† Local authority and finance houses seven days' notice, others seven days' fixed. [illegible]

Finance House Base Rate (published by the Finance Houses Association): 10 per cent. from August 1. Clearing Bank Deposit Rates for small sums at seven days' notice [illegible]. Treasury Bills: Average tender rates of discount [illegible].

CORAL INDEX

Close 301-306

I.G. INDEX

GOLD 160½-163½

INSURANCE BASE RATES

† Atlantic Assurance 11¼%
Cannon Assurance 9¼%
† Address shown under Insurance and Property Bond table.

هكذا من الاصل

AUTHORISED UNIT TRUSTS

The British Life Office Ltd.♥ (a)

Reliance Hse., Tunbridge Wells, Kt. 0892 22271

BL British Life	35.9	37.4	.....	5.28
BL Balanced*	27.2	28.9	+1.0	6.54
BL Capital*	27.2	28.8	+0.6	4.71
BL Dividend*	24.4	25.8	+0.4	9.45

*Prices on Aug. 20. Next dealing Aug. 27.

G. & A. Un. Tst. Mgrs. Ltd.(a)(g)

5, Rayleigh Rd., Brentwood, (0277) 227300

G. & A.	20.5	21.9	+0.1	3.97

Gartmore Fund Managers♦

2, St. Mary Axe, EC3A 8BP. 01-283 3531

British Trust	29.5	31.7	.....	4.45
High Income Tst.	27.8	29.6	+0.1	12.75
(2)Overseas Tst.	22.9	24.4	+0.1	1.78

INSURANCE, PROPERTY, BONDS

REGIONAL MARKETS

Following the merger last year of U.K. stock exchanges, a selection of the share prices previously shown under regional headings is presented below with quotations on London. Irish issues, most of which are not officially listed in London, are shown separately and with prices as on the Irish exchange.

Albany Inv. 20p	14	.....
Ash Spinning	36	.....
Bertam	19	.....
Bdg'wtr. Est. 50p	105	.....
Clover Croft	25	.....
Craig & Rose £1	310	.....
Dyson (R.A.)	30	.....
Ellis & McHdy	58	.....
Evans F'k 10p	36	.....
Evered	10	.....
Fife Forge	47	.....
Finlay Pkg. 5p	16	.....
Frost & Reed 50p	85	.....
Gardiner & Sons	11	.....
Gardner (L.)	63	.....
Graig Ship. £1	400	.....
Hallam Sleigh 10p	6	.....
Higsons Brew.	78	.....
I.O.M. Stm. £1	120	.....
Holt (Jos.) 25p	178xd	.....
Kleen-e-Ze	21	+1
Lovell's Ship £1	115	-5
N'thn. Goldsmith	96	.....
P.M.A.	32	-1
Pearce (C. H.)	60	.....
Peel Mills	16	.....
Richards 10p	5	.....
RobbCaledon 5p	19	+3
Sayers 12½p	6	.....
Sheffield Brick	60	+2
Sheff. Refrshmt.	141	.....
Shiloh Spinn.	24	.....
Sindall (Wm.)	40	.....

IRISH

Alliance Gas (£1)	40	.....
Carroll (P. J.)	108	.....
Clondalkin	53	.....
Concrete Prods.	60	.....
Goodbody (£1)	38	.....
Helton (Hldgs.)	25	.....
Irish Distillers	62	.....
Irish Wire	40	.....
Jacob	45	.....
Sunbeam	7½	.....
Unidare	60xd	.....

OFFSHORE AND OVERSEAS FUNDS

S. G. Warburg & Co. Ltd.

30, Gresham Street, EC2. 01-600 4555

CMT Ltd. July 31	£10.20	10.47	.....	—
Conv. Bd. Aug. 18	US$8.10		+0.02	—
Energy Int. Aug. 18	US$12.57		+0.03	—
Grsh. St. $Fd. Jly 31	US$6.83		.....	—
TMT Ltd. Aug. 14	£10.41	10.68	.....	—

World Wide Growth Management♦

10a, Boulevard Royal, Luxembourg.

World Wide Gth. Fd	US$11.01	+0.05	—

NOTES

Prices do not include $ premium, where applicable, and are in pence unless otherwise indicated. Yields allow for all buying expenses. a Offered prices include all expenses. b Today's prices. c Yield based on offer price. d Estimated. g Today's opening price. h Distribution free of U.K. taxes. x Offered price includes all expenses except agent's commission. y Offered price includes all expenses if bought through managers. z Previous day's price. ♥ Net of tax on realised capital gains unless indicated by ♦. ¶ Guernsey yield. # Suspended. ★ Single premium insurance bonds.

FT SHARE INFORMATION SERVICE

**BRITISH FUNDS

1975 High	Low	Stock	£	+ or −	Yield Int.	Red.
		"Shorts" (Lives up to Five Years)				
99⅞	94⅞	Exch 6½pc 1976‡‡	96¼xd	......	6.61	10.01
97⅛	92⅞	Treasury 6½pc 1976‡‡	97⅛xd	......	6.70	9.62
99	97	Victory 4pc 1976‡‡	99xd	......	—	—
102	96⅞	Treasury 10½pc 1976‡‡	99⅝	......	10.53	10.67
95¼	88⅞	Treasury 6¼pc 1977‡‡	95⅛xd	−⅛	6.57	9.72
94⅝	86¼	Electric 3pc 74-77	94⅝xd	......	3.17	6.67
103⅞	96⅞	Treasury 11½pc '77‡‡	100⅝	+⅛	11.43	10.95
88½	84	Treasury 3pc '77‡‡	88½	......	3.39	8.75
90⅝	84⅝	Transport 4pc 72-77	90⅝	......	4.44	8.75
96⅞	90½	Treasury 9pc 1978‡‡	94⅛xd	+⅛	9.53	11.62
100⅞	96⅛	Treasury 10½pc '78‡‡	97⅛	+⅛	10.78	11.56
87⅞	79	Exchequer 5pc '76-78‡‡	87⅛	+⅛	5.74	9.85
103	94⅛	Treasury 11½pc '79‡‡	99⅛xd	−⅛	11.58	11.76
79⅞	71⅛	Treasury 3pc '79‡‡	78⅛xd	+⅛	3.83	9.49
81⅞	73⅞	Electric 4¼pc 74-79	81⅛	+⅛	5.23	9.88
100⅞	94⅞	Treasury 10½pc '79‡‡	96⅛	......	10.92	11.65
79½	71	Electric 3½pc 76-79	79½	......	4.40	9.47
95	84	Treasury 9pc 1980‡‡	90⅞xd	+⅛	9.90	11.65
95⅛	91	Treasury 9½pc '80‡‡●	91¼	......	10.41	11.96
79	68¼	Treasury 3½pc '77-80	76⅞	+⅛	4.55	9.57
84½	71	Funding 5¼pc '78-80‡‡	82¼	+¼	6.34	9.80
		Five to Fifteen Years				
75½	66⅛	Treasury 3½pc '79-81	75	......	4.67	9.45
91⅛	72⅝	Do 8½pc '80-82‡‡	86¼	......	9.95	11.79
104⅜	86⅝	Treasury 12pc 1983‡‡	97⅞xd	......	12.19	12.34
78	58	Funding 5½pc '82-84‡‡	74	......	7.49	11.69
85¼	61⅞	Treasury 8½pc '84-86‡‡	81½	......	10.55	11.69
73¼	51⅞	Funding 6½pc '85-87‡‡	70¾	......	9.45	11.38
76¼	53	Treasury 7¾pc '85-88‡‡	72⅞	......	10.78	12.19
47¼	32⅞	Transport 3pc '78-88	45¾	......	6.61	11.06
56⅛	39¼	Treasury 5pc '86-89	55½	......	9.30	11.79
		Over Fifteen Years				
75½	53¼	Treasury 8¼pc '87-90‡‡	70⅞	......	11.89	12.93
57⅛	41⅞	Funding 5¾pc '87-91‡‡	56⅛	......	10.65	12.52
94½	94⅛	Treasury 12¾pc '92‡‡●	94⅞	......	13.57	13.68
97½	85⅞	Treasury 12½pc '92‡‡	91¾	......	13.81	13.94
55⅞	40½	Funding 6pc 1993‡‡	51⅛xd	......	11.64	13.03
75⅛	54⅛	Treasury 9pc '94‡‡	70½	......	13.20	13.72
34⅞	24¾	Gas 3pc '90-95	33¾	......	9.13	11.90
102	75	Treasury 12¾pc '95‡‡	94⅝	......	13.97	14.04
71½	54¾	Treasury 9pc '92-96‡‡	66⅞xd	......	13.33	13.80
33½	26½	Redp. 3pc 1986-96	33½	......	9.38	11.82
95¼	93¼	Treasury 13¼pc '97‡‡	95⅛	......	14.11	14.15
69⅞	53¼	Treasury 8¾pc 1997‡‡	65xd	......	13.40	13.81
59⅞	40¼	Treasury 6¾pc '95-98‡‡	54	......	12.99	13.64
75⅛	54¼	Treasury 9½pc 1999‡‡	70¾	......	13.61	13.86
29⅞	22	Funding 3½pc '99-04	29⅞	......	11.96	12.82
61⅞	47	Treasury 8pc '02-06‡‡	61⅝	......	13.64	13.78
43¼	33	Treasury 5½pc '08-12‡‡	40½xd	......	13.47	13.63
59⅝	43⅛	Treasury 7¾pc '12-15‡‡	56⅝	......	13.81	13.85
		Undated				

INTERNATIONAL BANK

CORPORATION LOANS

COMMONWEALTH & AFRICAN LOANS

LOANS (Miscel.)

FOREIGN BONDS & RAILS

AMERICANS

CANADIANS

†BANKS AND HIRE PURCHASE

Hire Purchase, etc.

BEERS, WINES AND SPIRITS

BUILDING INDUSTRY, TIMBER & ROADS

BUILDING INDUSTRY—Continued

CHEMICALS, PLASTICS

CINEMAS, THEATRES AND TV

DRAPERY AND STORES

DRAPERY AND STORES—Continued

ELECTRICAL AND RADIO

ENGINEERING, MACHINE TOOLS

ENGINEERING—Cont.

FOOD, GROCERIES, ETC.

HOTELS & CATERERS

HOTELS—Continued

INDUSTRIALS (Miscel.)

MINES

CENTRAL RAND

1975 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
£14¼	800	Durban Deep R1	900	−50	‡Q110c	ϕ	‡
£14	860	E. Rand Prp. R1	£10	+¼	‡Q115c	ϕ	‡
105	55	Rand Leases 25c	56	......	—	—	—
£34½	£22	Rand'fn Est. R2	£26½	−¼	—	—	—
500	260	West Rand R1	293	−2	‡Q40c	1.5	‡

EASTERN RAND

1975 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
370	235	Bracken R1	220	−4	†Q51c	1.1	11.4
23	13	Daggafontein 50c	16	......	—	—	—
105	60	East Dag. R1	62	......	‡Q25c	ϕ	‡
140	140	Grtr. Areas 50c	140	......	—	—	—
380	210	Grootvlei 25c	247	−10	‡Q32c	1.1	‡
920	410	Kinross R1	709	−5	†Q50c	1.5	6.5
198	107	Leslie 65c	112	−2	†Q22c	1.6	12.3
550	305	Marievale 25c	315	+5	‡Q64c	1.1	‡
725	360	S. African Ld. 35c	480	−5	‡Q55c	1.2	‡
265	165	Vlakfontein R1	275	−5	Q35c	1.5	12.9
£13¾	840	Winkelhaak R1	£11⅛	−⅛	†Q94c	1.2	2.8
120	65	Wit. Nigel 25c	85	......	Q1c	10.9	0.8

FAR WEST RAND

1975 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
£11	680	Blyvoor 25c	845	−20	Q100c	ϕ	7.4
£21½	£17	Buffels R1	£19¾	......	Q180c	ϕ	5.7
430	293	Deelkraal R0.20	365	+1	—	—	—
£14¼	920	Doornfontein R1	£10½	−⅛	Q110c	ϕ	6.7
£12¾	725	East Drie R1	£10½	−⅛	Q65c	ϕ	4.0
£12½	725	Do. Conv. Units	£10⅝	......	—	—	—
450	295	Elsburg R1	355	−5	Q15½c	—	8.0
£31	£16	Hartebeest R1	£25	−¼	Q215c	ϕ	5.4
£23¼	615	Kloof Gold R1	£20	−¼	Q55c	ϕ	2.5
£17¼	875	Libanon R1	£20	−⅛	Q110c	ϕ	6.9
£13¼	960	Southvaal 50c	£11¼	−⅛	Q7c	0.9	0.5
480	320	Stilfontein 50c	330	−10	‡Q65c	1.3	‡
£33¼	£21	Vaal Reefs 50c	£29¼	−½	‡Q220c	1.7	‡
£11½	650	Venterspost R1	770	−10	Q70c	ϕ	5.7
£55	£34	W. Drie R1	£42¾	......	Q485c	ϕ	7.1
745	450	Western Areas R1	525	−20	†Q70c	1.4	8.4
£23	£15	Western Deep R2	£18¾	−¼	‡Q160c	1.4	‡
530	295	Zandpan R1	450	......	Q35½c	ϕ	4.9

O.F.S.

1975 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
400	290	Fr. State Dev. 50c	300xd	......	Q14c	1.6	2.9
£32¾	£21	F.S. Geduld 50c	£29¼	−¼	†Q310c	1.1	6.8
265	196	F.S. Saaiplaas R1	230	−5	Q16c	1.1	4.4
960	550	Harmony 50c	850	....	Q77c	ϕ	5.6
575	320	Loraine R1	325	−5	Q12c	6.7	2.3
£28¾	£17½	Pres. Brand 50c	£24½	−¼	†Q245c	1.3	6.3
£25¾	£14½	Pres. Steyn 50c	£16¼	−¼	†Q155c	1.6	5.2
£39¾	£21½	St. Helena R1	£29¾	....	†Q230c	1.2	4.9
340	210	Unisel	249	−2	—	—	—
525	370	Welkom 50c	356	+1	†Q55c	1.6	8.9
£40	£27¼	W. Holdings 50c	£34¼	......	†Q445c	1.1	6.1

MISCELLANEOUS

1975 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
8½	3	Burma Mine 17½p	8	......	m0.5	—	3.7
65	17	Charterhall 5p	53	+½	—	—	—
135	75	Coloy Mines $1	75ϕ	......	—	—	—
760	360	Cons. Murch. 10c	690	......	‡Q130c	2.2	‡
53½	29½	Laurasia	42½	......	—	—	—
19	11	NRD $1	12	......	—	—	—
375	200	Northgate C$1	285	+5	Q65c	1.0	9.9
211	80	R.T.Z.	171	......	4.97	4.4	4.5
135	36	Sabina Inds. C$1	36	......	—	—	—
81	51	Stanford Mines	61	−7	—	—	—
£12½	875	Tara Expln. $1	£10⅜	−⅛	—	—	—
78	38	Yukon Cons C$1	66	......	—	—	—

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures; they are adjusted to ACT of 35 per cent. P/Es are calculated on the basis of net distribution; bracketed figures indicate 10 per cent. or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution. Yields, assuming maintenance of net dividends on current rate of ACT, are based on middle prices, are gross and allow for value of declared distributions and rights. Securities with denominations other than sterling are quoted inclusive of the investment dollar premium.

- Δ Sterling denominated securities which include investment dollar premium.
- ● "Tap" Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents.
- ϕ Figures or report awaited.
- †† Banks and Insurance: reserve allocations may preclude calculation of dividend cover.
- # Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue; cover relates to previous dividend or forecast.
- ** Free of Stamp Duty.
- ♦ Merger bid or reorganisation in progress.
- ♣ Not comparable.
- ◊ Same interim: reduced final and/or reduced earnings indicated.
- § Based on 1973 profits.
- ‖ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ☆ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ♥ Excluding a final dividend declaration.
- ☆ Regional price.
- ‖ No par value.

a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. q Earnings based on preliminary figures. r Australian currency. s Dividend and yield exclude a special payment. t Indicated dividend; cover relates to previous dividend. P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Tax free up to 30p in the £. w Yield allows for currency clause. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Issue price. G Assumed dividend and yield after pending scrip and/or rights issue. H Figures based on prospectus or other official estimates for 1974-75. Q Gross. T Figures assumed. U No significant Corporation Tax payable. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xd ex capital distribution.

"Recent Issues" and "Rights" Page 17

FINANCIAL TIMES

Wednesday August 20 1975

DESPITE FURTHER VIOLENCE . . .

Cautious optimism at Ulster talks

BY GILES MERRITT

BELFAST, August 19.

AS SENIOR negotiators for the Loyalist United Ulster Unionist Congress coalition and the Catholic Social Democratic and *Labour Party met* at Stormont this morning for a crucial new round of constitutional talks, a car bomb outrage and a shooting incident emphasised that Ulster's *past three days of relative peace* have merely been a lull in the storm of sectarian violence that began 10 days ago.

In spite of the increased ten*sion that has followed the wound*ing of seven people in a 6 am explosion in a Catholic district of North Belfast and the shooting of a young man in the Catholic New Lodge area of the city, the two three-man teams taking part in to-day's inter-party talks met in an atmosphere of cautious optimism.

The negotiating session this week is due to last three days, ending on Thursday night. Latest indications are that both sides are to exchange documents outlining their respective positions. The SDLP and UUUC are understood to have softened their conflicting attitudes, *and there is* a new hope that they may be on the point of establishing some sort of political common ground.

Whether it will be enough to *found a new and mutually accept*able system of devolved govern*ment* for the province remains to be seen. But, since the inter-party talks began on August 8, observers have been struck by the new spirit of constructive goodwill that appears to exist between the two sides.

A number of constitutional *formulae* have been *suggested* for discussion at the inter-party meetings—ranging from autonomous municipal councils to a "cantonal" division of Northern Ireland—in the hope that these would break the long-standing deadlock between SDLP demands for power-sharing and Loyalist insistence on majority rule. In fact, it now seems that both sides are hoping to reconcile their differing objectives rather *than erect any radically new* governmental system.

The Unionist negotiating team, headed by Vanguard party leader Mr. William Craig, is reportedly *planning a proposal to set up a* small Cabinet concerned only with security and constitutional matters.

Triumvirate

It would be composed of a triumvirate of top Loyalists, but executive power for the day-to-*day running of Northern Ireland* would rest largely in the hands of eight powerful committees. These would reflect the political parties' numerical strength inside the 78-member Convention elected in early May to find a constitutional answer to Ulster's problems.

The committee idea has the merit of maintaining a limited balance of power between the representatives of Protestants *and Catholics.* The UUUC coalition parties would control three committees, the SDLP three, and the remaining two would be divided between the centrist Alliance Party and the moderate Unionist Party of Northern Ireland (UPNI), led by Mr. Brian Faulkner.

Details of the scheme to be *outlined* by Mr. *John Hume*, head of the SDLP team, are not so clear, although it is thought that "collective responsibility" rather than power-sharing will be its theme, indicating a possible new flexibility in the SDLP approach to having a say in government, whatever Ulster's voting pattern.

To-day was to have seen the new session of the convention after the summer recess, but last Thursday it was postponed, probably until September 2 or even a week later.

In effect the business of the Convention is being done at the inter-party talks, *for fear that* extremist backbenchers will turn Ulster's "talking shop" into a shouting match. The idea of the inter-party talks is that they should agree the basic structure of a new constitution, and then turn it over to the Convention for debate, and, it is hoped, approval.

In gloomy parallel to the inter-party talks, though, there remains the latest crisis of sectarian terror which, if it worsens to the point of open conflict between the two communities rather than *between their para-military* private armies, risks eclipsing any political breakthrough. At the same time there is mounting pressure from hard-line Loyalists fearful that the UUUC is contemplating a sell-out of their most dearly held principles.

Ulster's secret talks, Page 15

ICI launches 'pick-a-back' plan to assist British exporters

BY RHYS DAVID

ICI IS TO launch a "pick-a-back" scheme intended to help medium-sized manufacturers of consumer goods sell on the Con*tinent by opening of a new dis*tribution centre at Zouterwoude, near Amsterdam.

The centre, which will trade under the name M. H. de Jong, is being developed by ICI in a *bid to step up its own penetra*tion of the market for various non-industrial products such as paints, wallpapers and toiletries in the Benelux countries and surrounding areas of Germany and France.

The administration, distribution and other services provided by the centre for ICI group products will be extended on a commercial basis to other U.K. companies.

As a result, it is hoped a variety of medium and small companies, which at present may be reluctant to export—because *of the problems of arranging for* transport, customs clearance, VAT returns, storage of goods and distribution to retail outlets—will be encouraged to enter the market.

A more limited scheme was launched in 1966 by the Board of Trade when a number of large U.K. exporters were contacted to see if they would be willing to give advice and assistance to smaller companies in similar fields. A booklet was distributed listing the companies willing to participate, but the response from smaller companies was *poor. An attempt to revive the* scheme in 1972 also met with little success.

Textiles

One important group of clients for the much wider ICI scheme is expected to come from the textile industry and, in particular, from the carpet trade, which will benefit from the installation by ICI of special cutting machinery at the centre. This facility will make it much easier for the carpet manufacturer to supply Continental outlets with *cut lengths of carpet.*

The decision by ICI to establish the centre—which will service a 300-mile radius covering the Ruhr, Cologne and Dusseldorf, the northern industrial belt *of France, and the Benelux* countries—follows a study by consultants. This established distribution as the major bottleneck likely to inhibit efforts to *market U.K. consumer products* in Europe.

ICI, which already has an established position in the U.K. consumer market through such products as Dulux wallpaper and paints and other home decoration and toilet products, has been seeking to step up its sales on the Continent, where its main business is with industrial companies producing textiles, plastics and pharmaceuticals.

Sensible

The group is moving into the *retail field with the opening of* several European branches of its Choice home products shops, launched in Nottingham last year. Shops are due to be opened next month in Brussels and The Hague, and others are expected to follow. These will be supplied from the M. H. de Jong centre.

"Our main interest originally *was the sale of ICI products, but* as a service company, de Jong will obviously have to pay its way. This, together with the boost which could be given to exports from the U.K., made extension of the facilities to other U.K. manufacturers seem sensible," Mr. Dirk Hudig, ICI Holland market development manager, said yesterday.

The distribution centre will start with 1,600 square metres but is expected to double fairly soon after operations begin in September. Although the cost will vary, depending on the services used, ICI estimates that a comprehensive package will amount to about 12 per cent. on landed costs.

Manufacturers using the service will still be responsible for selling their goods, which ICI will be helping to move between factory and retail outlet. ICI claims that the system will make it much easier for companies to use agents effectively in selling their goods, and will also enable manufacturers to improve their delivery and *service.*

Dearer subs for Diners Club

By Arthur Sandles

DINERS CLUB, one of the big two "unlimited" credit cards, is increasing membership fees to new members in Britain. they will pay £7.50 a year, while present members will continue to pay £5 "for the time being."

Additional cards for a member or his family will cost £4 instead of £1.50. Companies with multiple accounts will have to pay £50 for a bulk subscription, compared with the present £25.

Diners Club of Great *Britain, in which the National* Westminster Bank has a 49 per cent. stake (the rest is held by Diners Club Inc. of the U.S.) has some 167,000 of its 2.5m. members in the U.K.

High-spending

This is the second blow in a week to credit card users. A *few days ago* Access, in which NatWest also has a stake, raised its interest rate to credit card borrowers.

Diners, like American Express, is not a credit card in the same sense as Access. Members pay for their cards through annual subscriptions, and are expected to settle monthly accounts in full. In *return they have unlimited* world-wide credit. Membership is limited to high-spending, higher-income group members.

Although Diners Club Inc. has had its problems, Diners Club of Great Britain has been consistently profitable. However, a fall of profits recently has prompted the increase in U.K. subscriptions.

THE LEX COLUMN

British Land's debt mountain

British Land's report leaves the main long-term questions about its future unresolved, and auditors Binder Hamlyn add the qualification that "the accounts have been prepared on a going concern basis." The report reflects the scars of the last 18 months in the property market. The group has taken an ambiguous middle way on valuation—deciding against a full-scale professional revaluation because *of the short term fluctuation* in the market but undertaking a "re-assessment" of values in the light of "professional guidance" on the basis of will*ing vendor and willing* purchaser, which is rather hopeful since the group has evidently failed to find many willing buyers over the last year. *Development properties have* been included at cost and those held for development at current use value, which has slashed the value of £10m. worth of sites.

This re-assessment indicates total property assets of £235m., against a book figure of £288m., but the adjustment has not been put through the balance-sheet. If it were, shareholders' funds would fall from £110.2m. to £56.8m.—leaving total borrowings of £186m. (up £26m. in 1974-75)—which compares with the loan stock limits of four times capital and reserves. About £86m. of the debt is repayable within five years, though a large part of this is not due until the end of the decade.

The rise in debt has also had its impact on the P and L account, with interest charges up from £12m. to £17.65m. and a pre-tax loss of £6.6m. In addition there are £8.5m. exceptional write-offs below the line, including £3.25m. for Biba, in what is called a "consolidated capital account." Nor is there likely to be a quick return to profits in view of the size of the current deficit, although lettings and reviews already agreed are worth £2m. a year, the main reversions are still two to three years away. At least the company has only tiny capital commitments.

Against this background of a continued haemorrhage on the revenue account, the chairman *has* managed to retain a longer-term optimism about the company's prospects, referring to resumption of growth over a period. But with only small-scale disposals so far, a capital reconstruction of some kind is clearly on the cards—as reflected in the comment that "the urgent requirement for additional capital cannot be ignored." A capitalisation of only £8.25m. rules out a conventional rights issue, and any alternative would presumably swamp the interests of the existing shareholders.

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Royal Insurance

Royal is right on target for its anticipated turnround this year, following a 42 per cent. rise in pre-tax profits to £16.8m. at the half-way stage. The general underwriting recovery has continued, so that first half losses are £1.6m. lower at £12.3m. after a "significant reduction" in the deficit in Canada and Australia, although losses have increased by £2.3m. in the U.S. despite the improvement in general liability and workmen's compensation lines, the hope is that losses in the U.S. for 1975 as a whole may still be slightly lower. So with an improving trend on most lines elsewhere and investment income 14 per cent. up to date, the pre-tax total for the year should be at least double last year's £15m. The message for *Royal* and *sector share price* performance is certainly reassuring—leaving Commercial Union as the puzzling odd man out.

See also page 18

Slater Walker

Slater Walker's interim profits are indeed at a very low *level*, but the market had been given due warnings at the annual meeting and the shares finished 1p higher yesterday at 62p. Pre-tax profits emerge at *£2.22m.* for January-June against £10.09m. for the comparable period of 1974 and £4.39m. in the second half. Basically the figures reflect the way Slater has been stripped of the dealing profits which used to figure heavily—to the tune of £6m. in the first half last time—and is still stuck with a loss-making property portfolio, running a deficit of almost £1m. in the latest half-year.

The operating profit in commercial banking has dropped from £4.6m. to £2.5m., apparently reflecting the run-down in volume rather than any abnormal new provisions. A fall of £0.9m. on the commercial and industrial side is related chiefly to the disposal of the Costain stake, and the corporate finance side is in the doldrums. Insurance, however, has chipped in £0.6m. against nil for the first half of 1974, thanks mostly to eight months of Preference dividends on the £5m. new capi*tal injected last autumn.*

On present form, 1975 profits are going to fall a good way short of covering the grossed up dividend cost of around £9m., which puts the yield of 14.6 per cent. in perspective. Of course, book net worth (£80m. or 107p a share according to the pro-forma balance sheet issued in April) will have been helped by the £7m. surplus on re-purchase of loan stocks. But much depends on the £65m. property disposal programme, where only £5m. worth of sales are so far very near completion. Although the group is "reasonably happy" about property prices, this programme may need to get much closer to a successful conclusion before the shares can expect any renewal of enthusiasm.

See also page 17

Akzo

Akzo's net attributable losses total Fls.107m. after six months *—of which Fls.48m. arose in* the second quarter—and the group is now not very optimistic about the current three months. The key lies in Enka Glanzstoff, *which is its man fibre produc*ing company in the EEC. It accounts for more than Fls.200m. of the Fls.240m. operating losses in fibres so far *—after crediting over two-thirds* of the Fls.130m. provision against inventory risks made at the end of last year. Chemical products are also under pressure, although a firm performance in pharmaceuticals has offset some of the damage.

The equity/debt ratio has *only* deteriorated marginally, thanks to a heavy fall in fibre stocks and a reduced capital spending programme. But the problems at Enka are not simply going to be corrected by the textile cycle. Its substantial export business is threatened by a long term decline in demand for rayon and nylon as well as by adverse currency swings, and the group says that a substantial reconstruction will be necessary in the near future in order "to bring Akzo out of the danger zone."

Meanwhile 1975's losses could exceed Fls.6 per share, and the group is faced with some painful decisions about the dividend payment, Fls.4 per share last year. Close to the 1975 low at Fls.36, the shares remain locked in a four-year downtrend.

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Stephenson Clark orders Greek vessels

STEPHENSON CLARK Shipping, London, has placed a contract for two 6,000-ton deadweight bulk carriers with United Shipyards of Greece. The first vessel is for delivery late next year and the second early in 1977.

The company, which traditionally used British-built ships has now gone abroad for its last five vessels. It has just taken delivery of the 11,000-ton bulk carrier Donnington, the first of two vessels being built in Holland.

Merseyside bus fares may rise

Merseyside county council decided by a large majority yesterday to apply to the Traffic Commissioners for the third increase in bus fares in the area in 12 months. The increase, if approved, would come into effect at the beginning of November.

The county council made one concession, however, by deciding that no increase shall exceed 58 per cent. although it had been indicated that some fares would rise by 80 per cent.

Wilson on TV to-night as drive to combat inflation is launched

BY RICHARD EVANS, LOBBY CORRESPONDENT

THE GOVERNMENT'S campaign to consolidate public support behind its counter-inflation policy is launched to-day with full-page advertisements in national newspapers, followed by nationwide television and radio *broadcasts by the Prime Minister* this evening.

The primary purpose of the £2m. campaign is to persuade the country to accept the Govern*ment's policy of restricting* wage awards in the coming year to £6 a week in order to combat inflation.

The Department of Employment this morning joins the attempt to sell the policy with a special feature in its broadsheet, Employment News, setting out the Government's interpretation of the pay guidelines.

Mr. Wilson, who will return from the Scillies to-day to record the eight- to ten-minute broadcast in London, regards the statement as one of the most important of his political career. As the country's national leader, he will seek support from all sections of the community.

Although he will be addressing the nation in general, foremost in Mr. Wilson's mind will be the reaction of union militants to the counter-inflation policy. The campaign is regarded as a critical prelude to the TUC and Labour Party conference during the next two months.

Next week, distribution of a pamphlet explaining the Government's policy to every household in the country will begin.

To-day's advertisements seek to explain what the counter-inflation policy means to the individual. Five points are emphasised:

Pay rises will be limited to £6 a week up to an income of £8,500 a year; the Price Code will be strictly applied to prevent unjustifiable price increases; price rises on some basic foods will be restricted; help will be given to limit increases in council rents; and shares and dividends will not be allowed to rise by more than 10 per cent. over last year.

Fairest policy

The message Mr. Wilson will aim to hammer home is that this policy is the fairest that can be devised at present to ensure a reduction in the rate of inflation. All the indications are that he will not attempt to be politically controversial but will seek to obtain the maximum support for the Goverment's policy.

Mrs. Margaret Thatcher, the Conservative leader, is therefore unlikely to return from her *canal-cruising holiday in France.* Instead, her deputy, Mr. William Whitelaw will respond for the Opposition in broadcasts to-morrow evening.

John Elliott writes: The Department of Employment's feature, detailing how the Government interprets the pay guidelines adopted in its White Paper on inflation, is the result of a private agreement reached earlier this month between the Government, the CBI and the *TUC that each would publish co*ordinated explanations of the policy.

In fact, the CBI used exactly the same wording as appears in Employment News in its *Industrial Relations Bulletin* last week. The TUC version is to be submitted to the general council monthly meeting to-day, having been approved by the TUC economic committee last week, and is expected to be sent out to unions in a special circular before the Trades Union Congress the week after next.

Explained

Employment News, *of* which some 90,000 free copies are to be printed and circulated to unions and employers, explains the policy in a series of questions and answers, as does the CBI's bulletin. They are based on questions asked of the Depart*ment's telephone inquiry service which from to-day operates on a* new telephone number 01-214 8004.

Employment News lists the pay guidelines and stresses that the £6 is only a maximum within which negotiations may take place and is not an automatic rise. This is echoed in the newspaper advertisements which warn that "some firms may not be able to afford the full £6."

It is also stressed in Employment News that the objectives of the policy have been "supported by both the TUC and CBI." But it warns that: "The *battle cannot be won in one year.* It will need a programme over a number of years to nurse Britain back to economic health. But the battle could be lost in one year. That is why the next 12 months will be critical."

Weather

U.K. TO-DAY

GENERALLY cloudy with some rain *or drizzle.* Warm.

London, E. Anglia, E. Midlands
Cloudy, occasional rain or drizzle. Some bright intervals. Wind S.W., moderate. Max. 22C (72F).

S.E., S.W. and Cent. S. England, Channel Isles
Cloudy, occasional rain or drizzle. Hill and coast fog. Wind S.W., moderate. Max. 20C (68F).

E., N.E. and Cent. N. England, W. Midlands
Cloudy, occasional rain or drizzle. Bright later. Wind S.W., moderate or fresh. Max. 20C (68F).

Wales, N.W. England
Cloudy. Rain or drizzle at first. *Hill and coast fog. Bright periods* later. Wind S.W. moderate or fresh. Max. 17C (63F).

Lakes, I. of Man, S.W., N.E. and N.W. Scotland, Glasgow, Central Highlands, Argyll, N. Ireland
Cloudy, occasional showers. Some bright periods. Wind S.W. fresh. Max. 19C (66F).

Borders, Edinburgh, Dundee, Aberdeen, Moray Firth
Mainly dry. Some sunny intervals. Wind S.W. fresh. Max. 18C (64F).

Orkney, Shetland
Cloudy, occasional showers. Some sunny intervals. Wind S.W. fresh or strong. Max. 15C (59F).

Outlook: Rain with sunny intervals.

Lighting-up: London 20.45, Manchester *20.59*, *Glasgow* 21.14, Belfast 21.17.

BUSINESS CENTRES

		Y'day mid-day °C	°F			Y'day mid-day °C	°F
Alexndria.	S	30	86	Madrid	S	31	88
Amsterdm.	S	22	72	Manchstr.	R	18	64
Athens	S	31	88	Melbourne	C	13	55
Bahrain	S	35	95	Mexico C.	S	19	66
Barcelona	S	26	79	Milan	S	28	82
Beirut	S	29	84	Montreal	S	24	75
Belfast	C	19	66	Moscow	S	22	72
Belgrade	C	21	70	Munich	S	20	68
Berlin	S	21	70	Newcastle	R	15	59
Birmnghm.	R	20	68	New York	S	20	68
Bristol	R	21	70	Oslo	S	22	72
Brussels	C	21	70	Paris	C	20	68
Budapest	C	18	64	Perth	C	16	61
B. Aires	S	19	67	Prague	F	17	63
Cairo	S	34	93	Reykjavik	C	12	54
Cardiff	C	19	66	Rio de J'o	S	25	78
Cologne	S	22	72	Rome	F	28	82
Copnhagn.	S	20	68	Singapore	S	31	88
Dublin	C	20	68	Stockholm	S	20	68
Edinbgh.	C	17	63	Strasbourg	C	22	72
Frankfurt	S	22	72	Sydney	F	20	68
Geneva	C	21	70	Tehran	S	29	84
Glasgow	R	17	63	Tel Aviv	S	28	82
Helsinki	S	17	63	Tokyo	C	29	85
H. Kong	S	30	86	Toronto	C	20	68
Jo'burg	S	23	73	Vienna	C	20	68
Lisbon	S	29	84	Warsaw	F	22	72
London	C	19	66	Zurich	S	20	68
Luxembg.	F	21	70				

HOLIDAY RESORTS

		Y'day mid-day °C	°F			Y'day mid-day °C	°F
Ajaccio	S	27	81	Jersey	C	21	70
Algiers	S	31	88	Las Plms.	S	27	81
Biarritz	S	25	77	Locarno	S	28	82
Blackpool	R	18	64	Majorca	S	27	81
Bordeaux	F	25	77	Malaga	S	31	88
Boulogne	R	18	64	Malta	S	28	82
Casablnca.	S	26	79	Nairobi	S	20	68
Cape Town	S	18	64	Naples	S	28	82
Corfu	S	30	86	Nassau	S	31	88
Faro	S	28	82	Nice	S	27	81
Florence	S	28	82	*Oporto*	S	27	81
Funchal	S	26	79	Rhodes	S	30	86
Gibraltar	S	28	82	Salzburg	S	19	66
Guernsey	C	21	70	Tangier	S	28	82
Innsbruck	S	21	70	Tenerife	S	21	70
Inverness	C	18	64	Tunis	F	32	90
I. of Man	C	16	61	Valencia	S	29	84
Istanbul	S	28	82	Venice	S	23	73

S—Sunny. C—Cloudy. R—Rain. F—Fair.

Courtaulds men stay out

THE 180 ENGINEERS whose strike has closed the Courtaulds factory at Spennymoor, Co. Durham, for nearly ten weeks, decided yesterday to continue the stoppage and to intensify picketing.

The men also agreed, at a mass meeting, to write to MPs in constituencies with Courtaulds factories explaining the background of the dispute, which has *caused 1,300 other workers to be* laid off.

Talks between the company and national officers of the Amalgamated Union of Engineering *Workers have been arranged for* Friday. The engineers seek an 11 per cent. interim increase, worth up to £6 a week.

The company has responded by saying that, coming at a time when the plant is already losing £1m. a year, the dispute is threatening the future of the works and that no pay increases are possible before the next annual deal is due in February.

Labour Party eases Press release ban

BY JOHN WYLES, LABOUR REPORTER

THE LABOUR PARTY yesterday eased its ban on the distribution of its Press releases to the Birmingham Post and Evening Mail, where more than 200 journalists have been dismissed.

Following a meeting with the editor-in-chief of the Press Association, which provides an agency news service for newspapers, Mr. Percy Clark, the party's director of publicity, said that he had reversed his decision to withhold Press releases from the PA.

He said that Mr. David Chipp, the PA's editor-in-chief, had convinced him that it was technically impossible for the news agency to isolate the two Bir*mingham newspapers* and to prevent them receiving the PA service.

Mr. Chipp gave an assurance that the PA was not providing an increased service to Birming*ham where the newspapers are* being produced by a dozen staff. "I told Mr. Clark that it was a PA policy in such disputes affecting member-papers or other recipients of the service to do no more and no less than usual," said Mr. Chipp afterwards.

Credentials

Later, Mr. Clark also shed further light on the other aspect of his backing for the Birmingham journalists based on the restriction of Press credentials to the party's October confer*ence to members of the National* Union of Journalists and other "bona fide" journalists.

As far as the Birmingham situation was concerned, he said he did not want credentials to fall into the hands of members of the Institute of Journalists and other non-NUJ editorial staff who have continued working throughout the dispute.

As a general rule, said Mr. Clark, he regarded possession of an NUJ membership card as the only proof of a bona-fide journalist. Applicants for conference credentials who were unknown to the Labour Party were sometimes asked to prove NUJ membership but, on the other hand, credentials were *issued to some political corres*pondents who were not NUJ members but clearly known as "bona fide" journalists.

Advisory Conciliation and Arbitration Service officers continued their efforts last night to help the Birmingham management and journalists to find a return-to-work formula. It is understood that the two sides are concentrating on trying to agree on arbitration machinery to cover both the journalists' pay demands and their insistence on full payment for the six-week period since they were sacked for an alleged breach of their contracts of employment.

● Members of the Society of Graphical and Allied Trades (SOGAT) at the Observer news*paper have agreed to accept the* peace formula negotiated by union officials.

SOGAT said that staff reductions now accepted by the union's chapel (office branch) were "*substantially* lower" than average 30 per cent. reductions originally asked for by the management.

Members of the National Graphical Association—the print craft union—have still to agree on the negotiated conditions.

But the union's news trade group board, the committee responsible for NGA members *on national newspapers*, yesterday endorsed the formula negotiated by NGA representatives with the Observer.

Continued from Page 1

Portugal

blow when crowds ransacked their offices, plus those of two affiliated political parties, on the main island of San Miguel. According to eye witnesses, about 30 Communists were beaten up

A Portuguese warship arrived off Terceira, the second largest island, to help maintain order after two days of violent demonstrations.

At least 15 people were injured two nights ago when the Terceira office of the Communists was wrecked. The Communists won only 2 per cent. of the vote in *last April's Portuguese elections* in the Azores.

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